

STATE OF RHODE ISLAND
PROVIDENCE, SC.

SUPERIOR COURT

RHODE ISLAND ECONOMIC
DEVELOPMENT CORPORATION,

Plaintiff

v.

P.B. No.: 12-5616

WELLS FARGO SECURITIES, LLC, ET
AL.,

Defendants

**AFFIDAVIT OF LISA LOCKHEAD IN SUPPORT OF STARR INDEMNITY AND
LIABILITY COMPANY'S MOTION FOR SUMMARY JUDGMENT**

I, Lisa Lockheed, do hereby depose and say the following:

1. I am employed by Starr Specialty Lines Insurance Agency LLC. I have personal knowledge of the facts stated in this affidavit.
2. Attached hereto as Exhibit A is a true and accurate copy of Policy No. SISIFNL20059511 issued by Starr Indemnity & Liability Co. to 38 Studios, LLC.

SIGNED UNDER THE PAINS AND PENALTIES OF PERJURY THIS 17th DAY OF
FEBRUARY, 2015



LISA LOCKHEAD

CERTIFICATE OF SERVICE

I, Michael P. Duffy, hereby certify that on this 2 day of February, 2015, an exact copy of the foregoing document was electronically served on all counsel of record:

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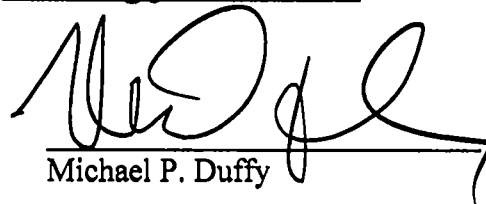
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STARR INDEMNITY AND LIABILITY COMPANY
399 Park Avenue, New York, NY 10022 • Tel. (646) 227-6377

RESOLUTE PORTFOLIOSM
For Private Companies

POLICY NUMBER: SISIFNL20059511
RENEWAL OF: SISIFNL20059510

NOTICE (Applicable to all Coverage Sections Other Than the Crime and Fidelity Coverage Section):
EXCEPT TO SUCH EXTENT AS MAY OTHERWISE BE PROVIDED HEREIN, THE COVERAGE OF THIS POLICY IS GENERALLY LIMITED TO LIABILITY FOR ONLY THOSE CLAIMS THAT ARE FIRST MADE AGAINST THE INSURED DURING THE POLICY PERIOD AND REPORTED IN WRITING TO THE INSURER PURSUANT TO THE TERMS HEREIN.

NOTICE (Applicable to all Coverage Sections Other Than the Crime and Fidelity Coverage Section):
THE LIMIT OF LIABILITY AVAILABLE TO PAY JUDGMENTS OR SETTLEMENTS SHALL BE REDUCED BY AMOUNTS INCURRED FOR DEFENSE COSTS. AMOUNTS INCURRED FOR DEFENSE COSTS SHALL BE APPLIED AGAINST THE RETENTION AMOUNT.

NOTICE (Applicable to all Coverage Sections Other Than the Crime and Fidelity Coverage Section):
THE INSURER HAS NO DUTY TO DEFEND ANY CLAIM UNDER THIS POLICY EXCEPT WITH RESPECT TO ANY CLAIM FOR WHICH THE POLICY SPECIFICALLY STATES THAT DUTY TO DEFEND COVERAGE IS PROVIDED.

NOTICE (Applicable to All Coverage Sections): PLEASE READ THIS POLICY CAREFULLY AND DISCUSS THE COVERAGE HEREUNDER WITH YOUR INSURANCE AGENT OR BROKER.

DECLARATIONS

ITEM 1: PARENT COMPANY: 38 Studios, LLC

ADDRESS: One Empire Plaza
Providence, RI 02903

ITEM 2: POLICY PERIOD: From: December 23, 2011 To: December 23, 2012
(12:01 a.m. Standard Time at the address stated in Item 1)

ITEM 3: COVERAGE SECTIONS

This policy provides coverage only for the following Coverage Sections if purchased by the Insured and indicated by an X.

Directors & Officers Liability Coverage Section	Yes <input checked="" type="checkbox"/>	No <input type="checkbox"/>
Derivative Demand Coverage	Yes <input checked="" type="checkbox"/>	No <input type="checkbox"/>
Employment Practices Liability Coverage Section	Yes <input checked="" type="checkbox"/>	No <input type="checkbox"/>
Third-Party Liability Coverage	Yes <input checked="" type="checkbox"/>	No <input type="checkbox"/>
Fiduciary Liability Coverage Section	Yes <input checked="" type="checkbox"/>	No <input type="checkbox"/>
Voluntary Compliance Program Coverage	Yes <input checked="" type="checkbox"/>	No <input type="checkbox"/>
HIPAA Claim Coverage	Yes <input checked="" type="checkbox"/>	No <input type="checkbox"/>
Crime and Fidelity Coverage Section	Yes <input type="checkbox"/>	No <input checked="" type="checkbox"/>

ITEM 4: LIMITS OF LIABILITY

The Limits of Liability of this policy apply solely to the Coverage Section(s) for which a corresponding limit of liability amount is set forth below.

A. AGGREGATE LIMIT OF LIABILITY FOR EACH SEPARATE COVERAGE SECTION OTHER THAN THE CRIME AND FIDELITY COVERAGE SECTION

(i)	Separate Coverage Section: Directors & Officers Liability	N/A
	Sublimit of Liability for Derivative Demand Coverage	N/A
(ii)	Separate Coverage Section: Employment Practices Liability	N/A
	Sublimit of Liability for Third-Party Liability Coverage	N/A
(iii)	Separate Coverage Section: Fiduciary Liability	N/A
	Sublimit of Liability for Voluntary Compliance Program Coverage	N/A
	Sublimit of Liability for HIPAA Claim Coverage	N/A

Each Sublimit of Liability set forth in Item 4 A. above is part of, and not in addition to, the Limit of Liability for the corresponding Separate Coverage Section.

B. AGGREGATE LIMIT OF LIABILITY FOR EACH COMBINED COVERAGE SECTION OTHER THAN THE CRIME AND FIDELITY COVERAGE SECTION

(i)	Combined Coverage Section: Directors & Officers Liability / Employment Practices Liability / Fiduciary Liability	\$10,000,000
	Sublimit of Liability for Derivative Demand Coverage	\$75,000
	Sublimit of Liability for Third-Party Liability Coverage	\$3,000,000
	Sublimit of Liability for Voluntary Compliance Program Coverage	\$25,000
	Sublimit of Liability for HIPAA Claim Coverage	\$25,000
(ii)	Combined Coverage Section: Directors & Officers Liability / Employment Practices Liability	N/A
	Sublimit of Liability for Derivative Demand Coverage	N/A
	Sublimit of Liability for Third-Party Liability Coverage	N/A
(iii)	Combined Coverage Section: Directors & Officers Liability / Fiduciary Liability	N/A
	Sublimit of Liability for Derivative Demand Coverage	N/A
	Sublimit of Liability for Voluntary Compliance Program Coverage	N/A
	Sublimit of Liability for HIPAA Claim Coverage	N/A

DECLARATIONS (continued)**POLICY NO.: SISIFNL20059511**

(iv)

Combined Coverage Section:	
Employment Practices Liability / Fiduciary Liability	N/A
Sublimit of Liability for Third-Party Liability Coverage	N/A
Sublimit of Liability for Voluntary Compliance Program Coverage	N/A
Sublimit of Liability for HIPAA Claim Coverage	N/A

Each Sublimit of Liability set forth in Item 4 B. above is part of, and not in addition to, the Limit of Liability for the corresponding Combined Coverage Section.

The Limits of Liability set forth in Item 4 A. and B. above are the maximum limits of liability for all Loss including Defense Costs, under the applicable Coverage Section(s).

C. AGGREGATE POLICY LIMIT OF LIABILITY**\$10,000,000**

The above Limit of Liability set forth in Item 4 C. above is the maximum limit of liability for all Loss, including Defense Costs, for all Coverage Sections purchased other than the Crime and Fidelity Coverage Section.

D. PER OCCURRENCE LIMIT OF LIABILITY- CRIME AND FIDELITY COVERAGE SECTION

The Limits of Liability of this policy apply solely to the Crime and Fidelity Coverage Section(s) for which a corresponding limit of liability amount is set forth below.

Crime and Fidelity Coverage Section:

(i) Insuring Agreement A, Employee Theft	N/A
(ii) Insuring Agreement B, Forgery or Alteration	N/A
(iii) Insuring Agreement C, Inside the Premises - Loss of Money and Securities	N/A
(iv) Insuring Agreement D, Inside the Premises - Robbery or Safe Burglary of Other Property	N/A
(v) Insuring Agreement E, Outside the Premises	N/A
(vi) Insuring Agreement F, Computer Fraud	N/A
(vii) Insuring Agreement G, Funds Transfer	N/A
(viii) Insuring Agreement H, Money Orders and Counterfeit Money	N/A
(ix) Insuring Agreement I, Credit, Debit, Charge Card Forgery	N/A
(x) Insuring Agreement J, Clients' Property	N/A
(xi) Insuring Agreement K, Investigative Expense Incurred to Establish Amount of Covered Loss	N/A

ITEM 5: RETENTION OR DEDUCTIBLE AMOUNTS**RETENTION AMOUNTS****A. Directors & Officers Liability Coverage Section:**

(i) Insuring Agreement A.	\$0
(ii) Insuring Agreement B. and C.	\$25,000
(iii) Insuring Agreement D.	N/A

DECLARATIONS (continued)

POLICY NO.: SISIFNL20059511

B. Employment Practices Liability Coverage Section:

(i) Insuring Agreement A - Employment Practices Liability Coverage	\$25,000
(ii) Insuring Agreement B - Third-Party Liability Coverage	\$25,000

C. Fiduciary Liability Coverage Section:

(i) Insuring Agreement A - Fiduciary Liability Coverage	
All Claims, except HIPAA Claims	\$0
HIPAA Claims	\$0
(ii) Insuring Agreement B - Voluntary Compliance Program Coverage	\$0

DEDUCTIBLE AMOUNTS**D. Crime and Fidelity Coverage Section:**

(i) Insuring Agreement A, Employee Theft	N/A
(ii) Insuring Agreement B, Forgery or Alteration	N/A
(iii) Insuring Agreement C, Inside the Premises - Loss of Money and Securities	N/A
(iv) Insuring Agreement D, Inside the Premises - Robbery or Safe Burglary of Other Property	N/A
(v) Insuring Agreement E, Outside the Premises	N/A
(vi) Insuring Agreement F, Computer Fraud	N/A
(vii) Insuring Agreement G, Funds Transfer	N/A
(viii) Insuring Agreement H, Money Orders and Counterfeit Money	N/A
(ix) Insuring Agreement I, Credit, Debit, Charge Card Forgery	N/A
(x) Insuring Agreement J, Clients' Property	N/A
(xi) Insuring Agreement K, Investigative Expense Incurred to Establish Amount of Covered Loss	N/A

ITEM 6: PENDING OR PRIOR DATE**A. Directors & Officers Liability Coverage Section:**

(i) Insuring Agreement A.	December 23, 2009
(ii) Insuring Agreement B. and C.	December 23, 2009

B. Employment Practices Liability Coverage Section:

(i) Insuring Agreement A - Employment Practices Liability Coverage	December 23, 2009
(ii) Insuring Agreement B - Third-Party Liability Coverage	December 23, 2009

C. Fiduciary Liability Coverage Section:

(i) Fiduciary Liability Coverage	December 23, 2009
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D. Crime and Fidelity Coverage Section:

N/A

ITEM 7: PREMIUM

A. Directors & Officers Liability Coverage Section:	\$15,222
B. Employment Practices Liability Coverage Section:	\$9,902
C. Fiduciary Liability Coverage Section:	\$2,435
D. Crime and Fidelity Coverage Section:	N/A
E. Total Policy Premium:	\$27,558

DECLARATIONS (continued)

POLICY NO.: SISIFNL20059511

ITEM 8: DISCOVERY PERIOD (APPLICABLE TO ALL COVERAGE SECTIONS
OTHER THAN CRIME AND FIDELITY)

- A. One Year: 100% of the applicable premium
- B. Two to Six Years: Premium to be determined

ITEM 9: ADDRESS OF INSURER AND ITS AUTHORIZED CLAIMS AGENT FOR
NOTICES UNDER THIS POLICY

A. Claims-Related Notices

LVL CLAIMS SERVICES, LLC
111 JOHN STREET
SUITE 1500
NEW YORK, NEW YORK 10038
e-mail: notice@lvlclaims.com

B. All Other Notices To The Insurer:

STARR INDEMNITY AND LIABILITY COMPANY
ATTN: FINANCIAL LINES DEPARTMENT
399 PARK AVE. 8TH FLOOR
NEW YORK, NY 10022

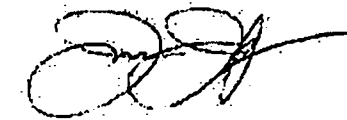
In Witness Whereof, the Insurer has caused this policy to be executed and attested. This policy shall not be valid unless countersigned by a duly authorized representative of the Insurer.



Charles H. Dangelo, President



Honora M. Keane, General Counsel



Authorized Representative

STARR INDEMNITY AND LIABILITY COMPANY

RESOLUTE PORTFOLIOSM
For Private Companies

General Terms & Conditions Section

In consideration of the payment of the premium and in reliance upon the Application, as applicable to each Coverage Section, which shall be deemed to be attached to, incorporated into, and made a part of this policy, and subject to this General Terms & Conditions Section and any applicable Coverage Section(s), if purchased by the Insured as indicated in Item 3 of the Declarations, STARR INDEMNITY AND LIABILITY COMPANY (the "Insurer") and the Parent Company, on behalf of all Insureds, agree as follows:

1. TERMS & CONDITIONS

The terms and conditions set forth in this General Terms & Conditions Section shall apply to all applicable Coverage Sections of this policy. The terms appearing in this General Terms & Conditions Section, which are defined in a Coverage Section, shall have the meaning provided for such terms in such Coverage Section for purposes of coverage under such Coverage Section. All defined terms used in this Policy, whether defined in Clause 2, below, or in a Coverage Section, appear in this Policy in boldface and initial-capitalized. The terms and conditions of each Coverage Section apply only to that particular Coverage Section. If any term or condition in this General Terms & Conditions Section is inconsistent or in conflict with the terms and conditions of any Coverage Section, the terms and conditions of such Coverage Section shall control.

2. GENERAL DEFINITIONS

- (a) "Application" means all signed applications, including any attachments and other materials provided therewith or incorporated therein, submitted in connection with the underwriting of this policy or for any other policy of which this policy is a renewal, replacement or which it succeeds in time. Application shall also include, and incorporate, all publicly available documents.
- (b) "Cleanup Costs" means expenses (including but not limited to legal and professional fees) incurred in testing for, monitoring, cleaning up, removing, containing, treating, neutralizing, detoxifying or assessing the effects of Pollutants.
- (c) "Company" means:
 - (1) the Parent Company;
 - (2) any Subsidiary of the Parent Company; and
 - (3) the Parent Company or any Subsidiary as a debtor, a debtor-in-possession or equivalent status;

provided, however, that this Definition (c) (3) shall not apply to the Fiduciary Liability Coverage Section.

(d) **"Defense Costs" means:**

- (1) reasonable and necessary fees, costs, charges or expenses resulting from the investigation, defense or appeal of a Claim;
- (2) premium for an appeal, attachment or similar bond, but without any obligation to apply for and obtain such bond;
- (3) reasonable and necessary fees, costs, charges or expenses incurred in response to any extradition or similar proceeding brought against an Insured in connection with a Claim; and
- (4) any fees, costs, charges or expenses incurred by the Insured at the specific request of the Insurer to assist the Insurer in the investigation, defense or appeal of a Claim.

"Defense Costs" does not include: (i) amounts incurred prior to the date a Claim is first made and reported to the Insurer, pursuant to the terms of the applicable Coverage Section; and (ii) compensation or benefits of any Insured Person or any overhead expenses of the Company.

(e) **"Financial Impairment" means the Company becoming a debtor-in-possession, or the appointment of a receiver, conservator, liquidator, trustee, rehabilitator or similar official to control, supervise, manage or liquidate the Company.**

(f) **"Management Control" means: (1) owning interests representing more than 50% of the voting, appointment or designation power for the selection of a majority of: the board of directors of a corporation; the management committee members of a joint venture; or the Members of the management board of a limited liability company; or (2) having the right, pursuant to written contract or the by-laws, charter, operating agreement or similar documents of a Company, to elect, appoint or designate a majority of: the board of directors of a corporation; the management committee of a joint venture; or the management board of a limited liability company.**

(g) **"Manager" means a person serving in a directorial capacity for a limited liability company.**

(h) **"Member" means an owner of a limited liability company represented by its membership interest, who also may serve as a Manager.**

(i) **"Parent Company" means the entity named in Item 1 of the Declarations.**

(j) **"Policy Period" means the period from the inception date shown in Item 2 of the Declarations to the earlier of the expiration date shown in Item 2 of the Declarations or the effective date of cancellation of this policy. If one or more Coverage Sections have different inception, expiration or cancellation dates from those shown in Item 2 of the Declarations, the Policy Period for those Coverage Sections shall be set forth in an endorsement to this Policy.**

(k) **"Pollutants" means any substance located anywhere in the world exhibiting any hazardous characteristics as defined by, or identified on, any list of hazardous substances issued by the United States Environmental Protection Agency or any foreign, state, county, municipality, or locality counterpart thereof. Such substances shall include, without limitation, nuclear material or waste, any solid, liquid, gaseous or thermal irritant or contaminant, or smoke, vapor, soot, fumes, acids, alkalis,**

chemicals or waste materials. **Pollutants** shall also mean any other air emission, odor, waste water, oil or oil products, infectious or medical waste, asbestos or asbestos products and any noise.

- (1) **"Pollution"** means the actual, alleged or threatened discharge, dispersal, release, escape, seepage, transportation, emission, treatment, removal or disposal of **Pollutants** into or on real or personal property, water or the atmosphere. **Pollution** also means any **Cleanup Costs**.

3. LIMITS OF LIABILITY

The Aggregate Limit of Liability For Each Separate Coverage Section, as set forth in Item 4 A. of the Declarations, is the maximum limit of liability of the Insurer for all **Loss**, including **Defense Costs**, from all **Claims** first made during the **Policy Period** (or **Discovery Period**, if applicable) and reported to the Insurer in accordance with the terms of this policy, for each applicable Separate Coverage Section.

The Aggregate Limit of Liability For Each Combined Coverage Section, as set forth in Item 4 B. of the Declarations, is the maximum limit of liability of the Insurer for all **Loss**, including **Defense Costs**, from all **Claims** first made during the **Policy Period** (or **Discovery Period**, if applicable) and reported to the Insurer in accordance with the terms of this policy, for all of the Coverage Sections that comprise the applicable Combined Coverage Section. Any **Loss** paid under one of the Coverage Sections that comprises a Combined Coverage Section will reduce, and may exhaust, the limit of liability available under the other Coverage Section(s) that comprise(s) such Combined Coverage Section.

Any Sublimit(s) of Liability, whether set forth in Item 4 of the Declarations or as otherwise provided under the terms of this policy, shall be part of, and not in addition to, the applicable Aggregate Limit of Liability set forth in Item 4 A. or 4 B. of the Declarations. Each Sublimit of Liability is the maximum limit of liability of the Insurer for all **Loss**, including **Defense Costs**, from all **Claims** first made during the **Policy Period** (or **Discovery Period**, if applicable) and reported to the Insurer in accordance with the terms of this policy, to which the Sublimit(s) of Liability applies.

The Aggregate Policy Limit of Liability, as set forth in Item 4 C. of the Declarations, is the maximum limit of liability of the Insurer for all **Loss**, including **Defense Costs**, from all **Claims** first made during the **Policy Period** (or **Discovery Period**, if applicable) and reported to the Insurer in accordance with the terms of this policy, for all Coverage Section(s) combined.

If any Aggregate Limit of Liability as set forth in Item 4 A. or 4 B. of the Declarations is exhausted by the payment of **Loss**, all obligations of the Insurer under this policy as respects the applicable Coverage Section(s) will be completely fulfilled and the Insurer will have no further obligations under this policy of any kind as respects the applicable Coverage Section(s) and the premium as respects the applicable Coverage Section(s) as set forth in Item 7 of the Declarations will be fully earned.

Any payment of **Loss** under any Aggregate Limit of Liability as set forth in Item 4 A. or 4 B. of the Declarations shall reduce and may exhaust the Aggregate Policy Limit of Liability as set forth in Item 4 C. of the Declarations. If the Aggregate Policy Limit of Liability is exhausted by the payment of such **Loss**, the Insurer will have no further obligations of any kind as respects this policy and the applicable premium set forth in Item 7 of the Declarations will be fully earned.

Defense Costs are part of, and not in addition to, the Aggregate Limit of Liability as set forth in Item 4 of the Declarations for each applicable Coverage Section, other than the Crime and

Fidelity Coverage Section, and payment by the Insurer of Defense Costs shall reduce and may exhaust such Aggregate Limit(s) of Liability. Defense Costs are subject to the Aggregate Policy Limit of Liability set forth in Item 4 C. of the Declarations.

If a Discovery Period is purchased by the Insured pursuant to Clause 8 of this General Terms & Conditions Section, the Limit of Liability for the Discovery Period shall be part of, and not in addition to, the applicable Limits of Liability as set forth in Item 4 of the Declarations.

The Limit of Liability applicable to the Crime and Fidelity Coverage Section is set forth in Clause 4 of that Coverage Section.

4. RETENTION CLAUSE

Subject to all other terms and conditions of this policy, the Insurer shall only be liable for the amount of Loss arising from a Claim which is in excess of the applicable Retention amount as set forth in Item 5 of the Declarations for each Insuring Agreement of the applicable Coverage Section(s). A single Retention amount shall apply to all Loss alleging the same or related Wrongful Acts. The Retention amount shall be borne by the Insureds and remain uninsured.

The application of a Retention to Loss under one Insuring Agreement shall not reduce the Retention that applies to Loss under any other Insuring Agreement. If different Retention amounts apply to different parts of a single Loss, the applicable Retention shall be applied separately to each part of the Loss and the sum of such Retention amounts shall not exceed the largest of the applicable Retention amounts as set forth in Item 5 of the Declarations.

If the Company is required or permitted to indemnify an Insured Person for any Loss pursuant to law, contract or the charter, bylaws, operating agreement or similar documents of a Company and does not do so for any reason, the Insurer shall not require payment of the applicable Retention by the Insured Person. However, the Company hereby agrees to reimburse the Insurer for the full amount of such applicable Retention, unless the Company is unable to do so because of Financial Impairment.

Provided, however that this Clause No. 4, shall not apply to the Crime and Fidelity Coverage Section.

5. NOTICE OF CLAIM

The Insured(s) shall, as a condition precedent to the obligations of the Insurer under this policy, give written notice of a Claim made against an Insured or an Occurrence, as applicable under the appropriate Coverage Section, to the Insurer at the address set forth in Item 9 of the Declarations. If mailed, the date of mailing shall constitute the date that such notice was given and proof of mailing shall be sufficient proof of notice.

With respect to the Directors & Officers Liability Coverage Section, the Insured(s) shall, as a condition precedent to the obligations of the Insurer under this policy, give written notice to the Insurer pursuant to this Clause 5, of a Claim made against an Insured as soon as practicable after the Company's general counsel or risk manager (or individuals with equivalent responsibilities) becomes aware of the Claim; however, in no event shall such notice be provided later than sixty (60) days after the expiration of the Policy Period (or Discovery Period, if applicable).

With respect to the Employment Practices Liability Coverage Section and the Fiduciary Liability Coverage Section, the Insured(s) shall, as a condition precedent to the obligations of the Insurer under this policy, give written notice to the Insurer pursuant to this Clause 5, of

a Claim made against an Insured as soon as practicable after any Insured Person becomes aware of the Claim; however, in no event shall such notice be provided later than thirty (30) days after the expiration of the Policy Period (or Discovery Period, if applicable).

With respect to all Coverage Sections, except the Crime and Fidelity Coverage Section, if written notice of a Claim has been given to the Insurer pursuant to this Clause 5, then a Claim which is subsequently made against an Insured and reported to the Insurer pursuant to this Clause 5, alleging, arising out of, based upon or attributable to the facts alleged in the previously noticed Claim, or alleging the same or related Wrongful Act alleged in the previously noticed Claim, shall be considered related to the previously noticed Claim and shall be deemed to have been made at the time notice of the previously noticed Claim was provided to the Insurer.

With respect to all Coverage Sections, except the Crime and Fidelity Coverage Section, if during the Policy Period (or Discovery Period, if applicable) an Insured becomes aware of any circumstances which may reasonably be expected to give rise to a Claim being made against an Insured, the Insured may provide written notice to the Insurer's authorized agent of such circumstances. This written notice shall include the Wrongful Act allegations anticipated and the reasons for anticipating a Claim, with full particulars as to dates, persons and entities involved. If a Claim is subsequently made against such Insured and reported to the Insurer arising out of, based upon or attributable to the previously noticed circumstances, such Claim shall be considered first made at the time notice of such circumstances was provided to the Insurer.

6. DEFENSE OF CLAIM AND SETTLEMENT

The Insurer has the right and duty to defend any Claim against any Insured covered under this policy, even if such Claim is false, fraudulent or groundless; however, the Insurer shall not have the right or duty to defend any Claim under: (1) Insuring Agreement D.: Derivative Demand Coverage of the Directors & Officers Liability Coverage Section; or (2) Insuring Agreement B: Voluntary Compliance Program Coverage of the Fiduciary Liability Coverage Section.

With respect to Insuring Agreement D.: Derivative Demand Coverage of the Directors & Officers Liability Coverage Section, the Company, and not the Insurer, has the duty to investigate and evaluate the Derivative Demand. The Insurer shall have the right to effectively associate with the Company in such process.

With respect to Insuring Agreement B: Voluntary Compliance Program Coverage of the Fiduciary Liability Coverage Section, the Company, and not the Insurer, has the duty to investigate and evaluate the Voluntary Compliance Program Loss. The Insurer shall have the right to effectively associate with the Company in such process, including the negotiation of any settlement as respects the Voluntary Compliance Program Loss.

The Insured(s) shall not admit or assume any liability, incur any Defense Costs, enter into any settlement agreement or stipulate to any judgment without the prior written consent of the Insurer. Any Loss incurred by the Insured(s) and/or any settlements or judgments agreed to by the Insured(s) without such consent shall not be covered by this policy. However, the Insurer's consent is not required for the Insured to settle a Claim for a Loss amount within the applicable Retention.

Each and every Insured shall give the Insurer full cooperation and such information as it may reasonably require relating to the defense and settlement of any Claim and the prosecution of any counterclaim, cross-claim or third-party claim, including without limitation the assertion of an Insured's indemnification or contribution rights.

The Insurer shall have the right to investigate and conduct negotiations and, with the Insured's consent, which shall not be unreasonably withheld, enter into the settlement of any Claim that the Insurer deems appropriate. In the event the Insured refuses to consent to a settlement acceptable to the claimant in accordance with the Insurer's recommendation, the Insurer's liability for Loss on account of such Claim shall not exceed: (1) the amount for which the Insurer could have settled the Claim; plus (2) any Defense Costs incurred up to the date the Insured refused to settle such Claim; plus (3) eighty percent (80%) of covered Loss, other than Defense Costs, in excess of the amount for which the Insurer could have settled the Claim. However, in no event shall the Insurer's liability exceed the applicable Limit of Liability as set forth in Item 4 of the Declarations.

The Insurer shall pay Defense Costs prior to the final disposition of any Claim, excess of the applicable retention and subject to all other terms and conditions of this policy. In the event and to the extent that the Insureds shall not be entitled to payment of such Loss under the terms and conditions of this policy, such payments by the Insurer shall be repaid to the Insurer by the Insureds, severally according to their respective interests.

7. ALLOCATION

In the event the Insured(s) incurs Loss that is both covered and not covered by this policy, either because the Claim includes both covered and uncovered matters or because the Claim includes both insured and uninsured parties, the Insured and the Insurer agree to use their best efforts to determine a fair and appropriate allocation between covered and uncovered Loss based upon the relative legal and financial exposures of the parties to such matters. In the event of a settlement of such Claim, the allocation shall also be based upon the relative benefits to the Insureds from such a settlement.

If an allocation of Loss cannot be agreed to by the Insurer and the Insured: (1) the Insurer shall pay those amounts which it believes to be fair and equitable until an amount shall be agreed upon or determined pursuant to the provisions of this policy; and (2) there will be no presumption of allocation of Loss in any arbitration, suit or other proceeding.

8. DISCOVERY CLAUSE

With respect to all Coverage Sections, except the Crime and Fidelity Coverage Section, if the Company or the Insurer refuses to renew one or more Coverage Sections of this policy, or if this policy is terminated by the Insurer for any reason (except for non-payment of premium), or if an Organizational Change as defined in Clause 13 occurs, the Insured(s) shall have the right to purchase a Discovery Period of up to six years following the effective date of such non-renewal, termination or Organizational Change. In the event of the non-renewal of one or more Coverage Sections of this policy, the Insured may purchase a Discovery Period solely as respects the Coverage Section(s) that has been non-renewed.

The Insured's right to purchase a Discovery Period shall lapse unless written notice of election to purchase such Discovery Period and the additional premium for such Discovery Period is received by the Insurer or its authorized agent within sixty days after such non-renewal, termination or Organizational Change. The additional premium for a Discovery Period of one or two years is set forth in Item 8 of the Declarations and shall be determined by multiplying the applicable percentage set forth in Item 8 of the Declarations by the premium for each applicable Coverage Section(s) as set forth in Item 7 of the Declarations. The additional premium for a Discovery Period of more than two years shall be determined by the Insurer.

During such Discovery Period, the Insured may provide the Insurer with written notice, pursuant to Clause 5 of this policy, of Claims made against an Insured solely with respect to

Wrongful Acts occurring prior to the effective date of the non-renewal or termination of the policy or the effective date of the Organizational Change and otherwise covered by this policy.

The Limit of Liability for the Discovery Period shall be part of, and not in addition to, the applicable Limits of Liability set forth in Item 4 of the Declarations.

The Discovery Period premium shall be fully earned at the inception of the Discovery Period. The Discovery Period is non-cancellable.

9. OTHER INSURANCE

The insurance provided by this policy shall apply only as excess over any other valid and collectible insurance whether such other insurance is stated to be primary, contributory, excess, contingent or otherwise, unless such other insurance is written specifically as excess insurance over the applicable Limit of Liability provided by this policy. This policy shall specifically be excess of any other valid and collectible insurance pursuant to which any other insurer has a duty to defend a Claim for which this policy may be obligated to pay Loss. This policy shall not be subject to the terms and conditions of any other insurance policy.

In connection with any covered Claim made against an Outside Entity Insured Person, a leased employee, or an Independent Contractor, and subject to all other terms and conditions herein, this policy shall apply specifically excess of any indemnification and any other insurance coverage available to an Outside Entity Insured Person, a leased employee or an Independent Contractor. In the event such other insurance coverage available to an Outside Entity Insured Person, a leased employee or an Independent Contractor is provided by the Insurer (or would be provided except for the application of any retention, exhaustion of a limit of liability or failure to submit notice of a claim) then the Insurer's maximum aggregate limit of liability for all Loss combined in connection with a Claim covered, in whole or in part, by this policy and such other insurance policy, shall be the greater of (1) the Limit of Liability of the applicable Coverage Section(s) of this policy; or (2) the limit of liability of such other insurance policy.

10. REPRESENTATIONS AND SEVERABILITY

It is agreed that the Insurer has relied upon the information contained in the Application, as applicable to each Coverage Section, in issuing this policy. In regard to the statements, warranties, representations and information contained in the Application, no knowledge of any Insured shall be imputed to any other Insured for the purpose of determining whether coverage is available under this policy for any Claim made against such Insured. However, the knowledge possessed by any Insured Person who is a past or current chairman of the board, chief executive officer, president or chief financial officer of the Company shall be imputed to the Company.

11. COVERAGE EXTENSIONS

This policy shall cover Loss arising from any Claims made against the estates, heirs, or legal representatives of any deceased person who was an Insured Person at the time the Wrongful Acts upon which such Claims are based were committed; provided, however, that this extension shall not afford coverage for any Claim for any actual or alleged Wrongful Act by or on the part of any such estates, heirs, or legal representatives, but shall apply only to Claims arising out of any actual or alleged Wrongful Acts of an Insured Person.

This policy shall also cover Loss arising from any Claims made against the legal representatives of any incompetent, insolvent or bankrupt person who was an Insured Person

at the time the Wrongful Acts upon which such Claims are based were committed; provided, however, that this extension shall not afford coverage for any Claim for any actual or alleged Wrongful Act by or on the part of any such legal representatives, but shall apply only to Claims arising out of any actual or alleged Wrongful Acts of an Insured Person.

This policy shall also cover Loss arising from any Claims made against the lawful spouse or domestic partner (whether such status is derived by reason of statutory law, common law or otherwise of any applicable jurisdiction in the world or any formal program established by the

Company) of an Insured Person for all Claims arising solely out of his or her status as the spouse or domestic partner of an Insured Person, including a Claim that seeks damages recoverable from marital community property, property jointly held by the Insured Person and the spouse or domestic partner, or property transferred from the Insured Person to the spouse or domestic partner; provided, however, that this extension shall not afford coverage for any Claim for any actual or alleged Wrongful Act by or on the part of the spouse or domestic partner, but shall apply only to Claims arising out of any actual or alleged Wrongful Acts of an Insured Person.

The coverage extensions set forth in this Clause 11 are subject to all other terms and conditions of this policy.

12. CANCELLATION AND NON RENEWAL CLAUSE

This policy, or any applicable Coverage Section(s), may be cancelled by the Parent Company by sending written prior notice to the Insurer or its authorized agent as set forth in Item 9 of the Declarations stating when thereafter the cancellation of the policy, or the applicable Coverage Section(s), shall be effective. The policy, or the applicable Coverage Section(s), terminates at the date and hour specified in such notice. This policy may also be cancelled by the Parent Company by surrender of this policy to the Insurer or its authorized agent as set forth in Item 9 of the Declarations. The policy terminates as of the date and time of surrender. The Insurer shall retain the customary short rate proportion of the premium, unless stated otherwise herein.

This policy, or any applicable Coverage Section(s), shall not be cancelled by or on behalf of the Insurer except by reason of non-payment of the premium set forth in Item 7 of the Declarations. The Insurer may cancel the policy by delivering to the Parent Company or by mailing to the Parent Company, by registered mail, or by courier at the Parent Company's address set forth in the Declarations, written notice stating when, not less than twenty (20) days thereafter, the cancellation shall be effective. The mailing of such notice as aforesaid shall be sufficient proof of notice. In the event of such cancellation, the policy will be deemed terminated as of the date indicated in the Insurer's written notice of cancellation to the Parent Company.

Payment or tender of any unearned premium by the Insurer shall not be a condition precedent to the effectiveness of cancellation, but such payment shall be made as soon as practicable. If the period of limitation relating to the giving of notice is prohibited or made void by any law controlling the construction thereof, such period shall be deemed to be amended so as to be equal to the minimum period of limitation permitted by such law.

The Insurer shall have no obligation to renew this policy or any applicable Coverage Section. In the event the Insurer decides to non-renew this policy or any applicable Coverage Section, it shall deliver or mail to the Parent Company, as identified in Item 1 of the Declarations, written notice of such decision at least sixty (60) days prior to the expiration of the Policy Period.

13. ORGANIZATIONAL CHANGES

If during the Policy Period:

- (1) the Parent Company shall consolidate with, merge into, or sell all or substantially all of its assets to any other person or entity or group of persons or entities acting in concert; or
- (2) any person or entity or group of persons or entities acting in concert shall acquire more than 50% of the Parent Company,

(any events described in (1) or (2) are referred to herein as an "Organizational Change") then this policy shall continue in full force and effect as to Wrongful Acts occurring prior to the effective time of an Organizational Change. However, there shall be no coverage afforded by this policy for any actual or alleged Wrongful Act occurring after the effective time of the Organizational Change. This policy shall be non-cancellable and the entire premium shall be deemed fully earned upon the effective time of the Organizational Change. The Insured(s) shall also have the right to purchase a Discovery Period described in Clause 8 in the event of an Organizational Change.

The Parent Company shall give the Insurer written notice of the Organizational Change as soon as practicable, but no later than thirty days after the effective date of the Organizational Change.

14. AUTHORIZATION AND NOTICES

The Parent Company shall act on behalf of all Insureds with respect to all matters as respects this policy including: (1) giving of notice of Claim; (2) giving and receiving of all correspondence and information; (3) giving and receiving notice of cancellation; (4) payment of premiums; (5) receiving of any return premiums; (6) receiving and accepting of any endorsements issued to form a part of this policy; and (7) the exercising of any right to a Discovery Period.

15. VALUATION AND CURRENCY

All amounts stated in this policy are expressed in United States dollars and all amounts payable under this policy are payable in United States dollars. If a judgment rendered or settlement entered into under this policy are stated in a currency other than United States dollars, then payment under this policy shall be made in United States dollars at the rate of exchange published in the *Wall Street Journal* on the date the final judgment is rendered or the settlement payment is established.

16. TERRITORY

This policy extends to Wrongful Acts taking place, Occurrences, or Claims made anywhere in the world to the extent permitted by law.

17. ASSIGNMENT AND CHANGES TO THE POLICY

This policy and any and all rights hereunder are not assignable without the prior written consent of the Insurer.

Notice to any agent or knowledge possessed by any agent or person acting on behalf of the Insurer, other than the Insurer's authorized agent as identified in Item 9 of the Declarations, will not result in a waiver or change in any part of this policy or prevent the Insurer from

asserting any right under the terms and conditions of this policy. The terms and conditions of this policy may only be waived or changed by written endorsement signed by the Insurer or its authorized agent.

18. BANKRUPTCY

Bankruptcy or insolvency of any Insured shall not relieve the Insurer of any of its obligations hereunder.

It is understood and agreed that the coverage provided under this policy is intended to protect and benefit the Insured Persons. Further, if a liquidation or reorganization proceeding involving the Company is commenced (whether voluntarily or involuntarily) under Title 11 of the United States Code (as amended), or any similar state, local or foreign law (collectively "Bankruptcy Law") then, in regard to a covered Claim under this policy, the Insureds shall:

- a. waive and release any automatic stay or injunction to the extent it may apply in such proceeding to the policy or its proceeds under such Bankruptcy Law; and
- b. agree not to oppose or object to any efforts by the Company, the Insurer or any Insured Person to obtain relief from any such stay or injunction.

In the event the Company becomes a debtor-in-possession or equivalent status under such Bankruptcy Law, and the total covered Loss under this policy exceeds the available applicable Limit of Liability, the Insurer shall:

- a. first pay the Loss allocable to Wrongful Acts that are actually or allegedly caused, committed, or attempted prior to the Company becoming a debtor-in-possession or some equivalent status, then
- b. pay any remaining Loss allocable to Wrongful Acts that are actually or allegedly caused, committed, or attempted after the Company became a debtor-in-possession or some equivalent status.

19. SUBROGATION

In addition to any right of subrogation existing at law, in equity or otherwise, in the event of any payment by the Insurer under this policy, the Insurer shall be subrogated to the extent of such payment to all of the Insured(s)' rights of recovery. The Insured(s) shall execute all papers required (including those documents necessary for the Insurer to bring suit or other form of proceeding in their name) and do everything that may be necessary to pursue and secure such rights.

20. ACTION AGAINST THE INSURER

No action may be taken against the Insurer unless, as a condition precedent thereto, there shall have been full compliance with all material terms of this policy and the amount of the Insured's obligation has been fully determined either by judgment against the Insured after actual trial, or by written agreement of the Insured, the claimant and the Insurer.

No person or entity shall have any right under this policy to join the Insurer as a party to any action against any Insured to determine such Insured's liability nor shall the Insurer be implicated by such Insured or legal representatives of such Insured.

21. CONFORMITY TO STATUTE

Any terms of this policy which are in conflict with the terms of any applicable laws construing this policy, including any endorsement to this policy which is required by any state Department of Insurance, or equivalent authority ("State Amendatory Endorsement"), are hereby amended to conform to such laws. Nothing herein shall be construed to restrict the terms of any State Amendatory Endorsement.

In the event any portion of this policy shall be declared or deemed invalid or unenforceable under applicable law, such invalidity or unenforceability shall not affect the validity or enforceability of any other portion of this policy.

22. HEADINGS

The descriptions in the headings and any subheading of this policy (including any titles given to any endorsement attached hereto) are inserted solely for convenience and do not constitute any part of this policy's terms or conditions.

STARR INDEMNITY AND LIABILITY COMPANY

RESOLUTE PORTFOLIOSM

For Private Companies

Directors & Officers Liability Coverage Section

In consideration of the payment of the premium and in reliance upon the Application, which shall be deemed to be attached to, incorporated into, and made a part of this policy, and subject to the General Terms & Conditions Section and this Coverage Section, if purchased by the Insured as indicated in Item 3 of the Declarations, STARR INDEMNITY AND LIABILITY COMPANY (the "Insurer") and the Parent Company, on behalf of all Insureds, agree as follows:

1. INSURING AGREEMENTS

- A. The Insurer shall pay on behalf of any Insured Person the Loss arising from a Claim first made during the Policy Period (or Discovery Period, if applicable) against such Insured Person for any Wrongful Act, and reported to the Insurer in accordance with the terms of this policy, except if the Company has indemnified the Insured Person for such Loss.
- B. The Insurer shall pay on behalf of the Company the Loss arising from a Claim first made during the Policy Period (or Discovery Period, if applicable) against any Insured Person for any Wrongful Act, and reported to the Insurer in accordance with the terms of this policy, if the Company has indemnified the Insured Person for such Loss.
- C. The Insurer shall pay on behalf of the Company the Loss arising from a Claim first made during the Policy Period (or Discovery Period, if applicable) against the Company for any Wrongful Act, and reported to the Insurer in accordance with the terms of this policy.
- D. The Insurer shall reimburse the Company for the Derivative Costs incurred by the Company in response to a Derivative Demand first made during the Policy Period (or Discovery Period, if applicable) for any Wrongful Act of any Executive, and reported to the Insurer in accordance with the terms of this policy. This Insuring Agreement D. shall apply only if purchased by the Insured as indicated in Item 3 of the Declarations and is subject to the Sublimit of Liability set forth in Item 4 of the Declarations which is the Insurer's maximum limit of liability under this Insuring Agreement D. for all Derivative Costs arising from all Derivative Demands. The Sublimit of Liability for Derivative Costs shall be part of, and not in addition to, the Limit of Liability applicable to this Coverage Section. This Insuring Agreement D. shall not provide coverage for any civil proceeding that is based upon or arises from a Derivative Demand.

2. DEFINITIONS

(a) "Claim" means any:

- (1) written demand for monetary, non-monetary or injunctive relief made against an Insured;
- (2) judicial, administrative or regulatory proceeding, whether civil or criminal, for monetary, non-monetary or injunctive relief commenced against an Insured, including any appeal therefrom, which is commenced by:
 - (i) service of a complaint or similar pleading;

- (ii) return of an indictment, information or similar document (in the case of a criminal proceeding); or
 - (iii) receipt or filing of a notice of charges;
 - (3) arbitration proceeding commenced against an Insured by service of a demand for arbitration;
 - (4) formal civil, criminal, administrative or regulatory investigation of an Insured Person, which is commenced by the filing or issuance of a notice of charges, formal investigative order or similar document identifying such Insured Person as a person against whom a proceeding identified in (2) or (3) above may be commenced;
 - (5) written request to toll or waive the applicable statute of limitations relating to a potential Claim against an Insured for a Wrongful Act; or
 - (6) Derivative Demand, solely under Insuring Agreement D. if purchased by the Insured.
- (b) "Derivative Costs" means the reasonable and necessary fees, costs, charges, or expenses incurred by the Company, its board of directors or any committee of its board of directors, solely in response to a Derivative Demand and do not include any settlements, judgments or damages, nor any compensation or benefits of any Insured Persons, or any overhead expenses of the Company. Derivative Costs shall be reimbursed by the Insurer sixty (60) days after the Company provides written notice to the Insurer of its final decision not to bring a civil proceeding against an Executive.
- (c) "Derivative Demand" means a written demand by one or more shareholders of the Company upon the Company's board of directors to bring a civil proceeding on behalf of the Company against any Executive for a Wrongful Act.
- (d) "Employee" means:
- (1) any person who was, now is, or shall become a full-time, part-time, seasonal, or temporary employee of the Company, other than an Executive, but only while that person is acting in the capacity as such;
 - (2) any person leased to the Company so long as this person is working solely for the Company and only for conduct within his or her duties as such, but only if the Company indemnifies such leased person in the same manner as the Company's employees; and
 - (3) any volunteer whose labor and service is engaged and directed by the Company, but only while that person is acting in the capacity as such.
- (e) "Executive" means any:
- (1) past, present or future duly elected or appointed director, officer, trustee, governor, management committee Member or Member of the board of managers;
 - (2) past, present or future person in a duly elected or appointed position in an entity which is organized and operated in a foreign jurisdiction that is equivalent to an executive position listed in item (1) above; or
 - (3) past, present or future general counsel and risk manager (or equivalent position) of the Company.
- (f) "Insured" means the Company and any Insured Person.

(g) "Insured Person(s)" means any:

- (1) Executive;
- (2) Employee; or
- (3) Outside Entity Insured Person.

(h) "Loss" means:

- (1) damages, settlements or judgments;
- (2) pre-judgment or post-judgment interest;
- (3) costs or fees awarded in favor of the claimant;
- (4) punitive, exemplary or the multiplied portion of any multiple damages awards, but only to the extent that such damages are insurable under the applicable law most favorable to the insurability of such damages;
- (5) Derivative Costs, solely under Insuring Agreement D, if purchased by the Insured; and
- (6) Defense Costs.

"Loss" does not include:

- (i) any amounts for which the Insureds are not legally liable;
- (ii) any amounts which are without legal recourse to the Insureds;
- (iii) taxes;
- (iv) fines and penalties, except as provided for in Definition (h) (4) above;
- (v) matters which may be deemed uninsurable under applicable law; or
- (vi) any amounts paid or incurred in complying with a judgment or settlement for non-monetary or injunctive relief, but solely as respects the Company.

(i) "Outside Entity" means: (1) any not-for-profit entity which is exempt from taxation under Section 501(c)(3), (4) or (10) of the IRS Code, as amended, or any rule or regulation promulgated thereunder; or (2) any other entity listed as such by endorsement to this policy, for which an Executive acts as a director, officer, trustee or governor (or the equivalent thereof) at the written request of the Company. Any such person shall be referred to herein as an "Outside Entity Insured Person", but only while that person is acting in the capacity as a director, officer, trustee or governor (or the equivalent thereof) of an Outside Entity.

(j) "Securities Claim" means a Claim, other than an administrative or regulatory proceeding against the Company or an investigation of the Company, made against any Insured:

- (1) alleging a violation of any foreign, federal, state or local regulation, rule or statute regulating securities, including, but not limited to, the purchase or sale, or offer or solicitation of an offer to purchase or sell securities which is:

- (i) brought by any person or entity alleging, arising out of, based upon or attributable to the purchase or sale, or offer or solicitation of an offer to purchase or sell, any securities of the Company; or
 - (ii) brought by a security holder of the Company with respect to such security holder's interest in securities of such Company; or
- (2) brought derivatively on behalf of the Company by a security holder of such Company.

Notwithstanding the foregoing, Securities Claim shall include any formal administrative or regulatory proceeding against the Company, but only if and only during the time that such proceeding also constitutes a Securities Claim commenced and continuously maintained against an Insured Person.

The Insurer shall not assert that a Loss incurred in a Securities Claim alleging violations of Section 11 or 12 of the Securities Act of 1933, as amended, constitutes uninsurable loss and, subject to all other terms and conditions of this policy, shall deem that portion of such Loss as constituting Loss under this policy.

- (k) "Subsidiary" means any privately-held for-profit entity (except a partnership) of which the Parent Company:
- (1) has Management Control ("Controlled Entity") before the inception of the Policy Period, either directly or indirectly through one or more other Controlled Entities;
 - (2) first acquires Management Control during the Policy Period, either directly or indirectly through one or more other Controlled Entities, if such entity's annual revenue totals less than 25% of the consolidated revenue of the Parent Company as of its latest fiscal year; or
 - (3) first acquires Management Control during the Policy Period, either directly or indirectly through one or more other Controlled Entities, if such entity's annual revenue totals 25% or more of the consolidated revenue of the Parent Company as of its latest fiscal year, but only if the Parent Company provides the Insurer with full particulars of the new Subsidiary within ninety (90) days after its creation or acquisition and pays any additional premium with respect to such entity within thirty (30) days after being requested to do so by the Insurer;

provided, however, that Subsidiary as defined in items (2) and (3) above shall not mean any entity which is a financial institution, including but not limited to a bank, insurance company, insurance agent/broker, securities broker/dealer, investment advisor, mutual fund or hedge fund, unless such entity is included in the definition of Subsidiary by specific written endorsement attached to this policy.

"Subsidiary" also means any not-for-profit entity which is under the exclusive control of the Company.

With respect to a Claim made against any Subsidiary or any Insured Person thereof, this policy shall only apply to Wrongful Acts committed or allegedly committed after the effective time such entity becomes a Subsidiary and prior to the effective time that such entity ceases to be a Subsidiary.

- (l) "Wrongful Act(s)" means:
- (1) with respect to an Insured Person, any actual or alleged act, error, omission, neglect, breach of duty, breach of trust, misstatement, or misleading statement by an Insured

Person in his or her capacity as such or any matter claimed against an Insured Person by reason of such capacity;

- (2) with respect to an Outside Entity Insured Person, any actual or alleged act, error, omission, neglect, breach of duty, breach of trust, misstatement, or misleading statement by a person in his or her capacity as an Outside Entity Insured Person or any matter claimed against such Outside Entity Insured Person by reason of such capacity; or
- (3) with respect to the Company, any actual or alleged breach of duty, neglect, error, misstatement, misleading statement, omission or act by the Company.

3. EXCLUSIONS

This policy shall not cover any Loss in connection with any Claim:

- (a) arising out of, based upon or attributable to the gaining of any profit or advantage or improper or illegal remuneration if a final judgment or adjudication establishes that such Insured was not legally entitled to such profit or advantage or that such remuneration was improper or illegal;
- (b) arising out of, based upon or attributable to any deliberate fraudulent act or any willful violation of law by an Insured if a final judgment or adjudication establishes that such act or violation occurred;
- (c) arising out of, based upon or attributable to the purchase or sale by an Insured of securities of the Company within the meaning of Section 16(b) of the Securities Exchange Act of 1934 and any amendments thereto or similar provisions of any state statutory law if a final judgment or adjudication establishes that a violation of Section 16(b) occurred;

In determining the applicability of Exclusions (a), (b) and (c), the facts pertaining to, the knowledge possessed by, or any Wrongful Act committed by, any Insured shall not be imputed to any other Insured; however, the facts pertaining to, the knowledge possessed by, or any Wrongful Act committed by, an Insured Person who is a past or current chairman of the board, chief executive officer, president or chief financial officer of the Company shall be imputed to the Company.

- (d) alleging, arising out of, based upon or attributable to any facts or circumstances of which an Insured Person had actual knowledge or information of, as of the Pending or Prior Date set forth in Item 6 of the Declarations as respects this Coverage Section, and that he or she reasonably believed may give rise to a Claim under this policy;
- (e) based upon, arising from, or in consequence of any actual or alleged liability of any Insured under any express contract or agreement, except to the extent that such Insured would have been liable in the absence of such contract or agreement; provided, however, that this exclusion shall apply only to any Claim under Insuring Agreement C.;
- (f) alleging, arising out of, based upon or attributable to, as of the Pending or Prior Date set forth in Item 6 of the Declarations as respects this Coverage Section, any pending or prior: (1) litigation; or (2) administrative or regulatory proceeding or investigation of which an Insured had notice, including any Claim alleging or derived from the same or essentially the same facts, or the same or related Wrongful Act(s), as alleged in such pending or prior litigation or administrative or regulatory proceeding or investigation;

- (g) alleging, arising out of, based upon or attributable to the same or essentially the same facts alleged, or to the same or related **Wrongful Act(s)** alleged or contained in any **Claim** which has been reported, or in any circumstances of which notice has been given, before the inception date of this policy as set forth in Item 2 of the Declarations, under any policy, whether excess or underlying, of which this policy is a renewal or replacement or which it may succeed in time;
- (h) alleging, arising out of, based upon or attributable to any actual or alleged act or omission of any **Insured Person** serving in any capacity other than as an **Executive** or an **Employee** or an **Outside Entity Insured Person**;
- (i) brought by or on behalf of any **Insured**, other than an **Employee**; provided, however, that this exclusion shall not apply to:
 - (i) any **Claim** brought by an **Insured Person** that is in the form of a cross-claim or third-party claim for contribution or indemnity which is part of, and results directly from, a **Claim** which is not otherwise excluded under the terms of this Coverage Section;
 - (ii) a shareholder derivative action, but only if such action is brought and maintained without the solicitation, approval, assistance, active participation or intervention of any **Insured**;
 - (iii) any **Claim** brought by any **Executive** who has not served in such capacity, nor has acted as a consultant to the **Company**, for at least three (3) years prior to the **Claim** being first made;
 - (iv) any **Claim** brought against an **Insured Person** arising out of or based upon any protected activity specified in any "whistleblower" protection pursuant to any foreign, federal, state or local law;
 - (v) any **Claim** brought by any **Executive** of a **Company** formed and operating in a foreign jurisdiction against such **Company** and any **Insured Person** thereof, provided that such **Claim** is brought and maintained outside the United States, Canada or any other common law country (including any territories thereof); or
 - (vi) any **Claim** brought or maintained by or on behalf of a bankruptcy or insolvency trustee, examiner, receiver or similar official for the **Company** or any assignee of such trustee, examiner, receiver or similar official.
- (j) alleging, arising out of, based upon, attributable to, directly or indirectly resulting from, or in consequence of, or in any way involving, **Pollution**; provided, however, that this exclusion shall not apply to any **Claim** under Insuring Agreement A. or any **Securities Claim**, except for **Loss** constituting **Cleanup Costs**;
- (k) alleging, arising out of, based upon or attributable to any actual or alleged violation of the Employee Retirement Income Security Act of 1974, the Fair Labor Standards Act, the National Labor Relations Act, the Worker Adjustment and Retraining Notification Act, the Consolidated Omnibus Budget Reconciliation Act, the Occupational Safety and Health Act, any rules or regulations of the foregoing promulgated thereunder, and any amendments thereto, or any similar foreign, federal, state or statutory law or common law;
- (l) alleging, arising out of, based upon, attributable to, or in any way involving, directly or indirectly any public offering of securities by the **Company** or an **Outside Entity**, or alleging a purchase or sale of such securities subsequent to such public offering; provided, however, that this exclusion shall not apply to:

- (i) any purchase or sale of securities exempted pursuant to Section 3(b) of the Securities Act of 1933. Coverage for such purchase or sale transaction shall be conditioned solely upon the Company giving the Insurer written notice of any such public offering, including all details thereof, as soon as practicable, but not later than thirty days after the effective date of such offering; or
 - (ii) any public offering of securities, other than an offering described in paragraph (i) above, as well as any purchase or sale of securities subsequent to such public offering. Coverage for such transaction shall be conditioned upon, within thirty days prior to the effective time of such public offering, the Company: (a) giving the Insurer written notice of such offering, including all details thereof, and any underwriting information required by the Insurer; and (b) accepting such terms, conditions and additional premium required by the Insurer for such coverage. Coverage provided pursuant to this paragraph is also subject to the Company paying such additional premium when due. The Insurer shall provide the Company with a quote for such coverage if the Company gives written notice of the offering as required in this paragraph.
- (m) for any Wrongful Act arising out of any Insured Person serving as a director, officer, trustee or governor of an Outside Entity if such Claim is brought by the Outside Entity or by any director, officer, trustee or governor thereof; or which is brought by any securities holder of the Outside Entity, whether directly or derivatively, unless such securities holder's Claim is instigated and continued totally independent of, and totally without the solicitation of, or assistance of, or active participation of, or intervention of, the Outside Entity, any director, officer, trustee or governor thereof, an Executive or the Company; provided, however, that this exclusion shall not apply to:
- (i) any Claim brought by any director, officer, trustee or governor of an Outside Entity in the form of a cross-claim or third-party claim for contribution or indemnity which is part of, and results directly from, a Claim which is not otherwise excluded under the terms of this Coverage Section;
 - (ii) any Claim brought or maintained by or on behalf of a bankruptcy or insolvency trustee, examiner, receiver or similar official for the Outside Entity or any assignee of such trustee, examiner, receiver or similar official;
 - (iii) any Claim brought by any director, officer, trustee or governor of an Outside Entity who has not served in such capacity, nor acted as a consultant to the Outside Entity, for at least three (3) years prior to such Claim being first made; or
 - (iv) any Claim brought by any director, officer, trustee or governor of an Outside Entity, formed and operating in a foreign jurisdiction against any Outside Entity Insured Person of such Outside Entity, provided that such Claim is brought and maintained outside the United States, Canada or any other common law country (including any territories thereof);
- (n) for bodily injury, sickness, mental anguish, emotional distress, libel, slander, oral or written publication of defamatory or disparaging material, violation of any right of privacy, disease or death of any person, or damage to or destruction of any tangible property, including the loss of use thereof; provided, however, that this exclusion shall not apply to any Securities Claim;
- (o) alleging, arising out of, based upon, or attributable to any actual or alleged: (i) violation of the Foreign Corrupt Practices Act, any rules or regulations of the foregoing promulgated thereunder, and any amendments thereto, or any similar foreign, federal, state or statutory law or common law; (ii) payments, commissions, gratuities, benefits or

other favors for the direct or indirect benefit of any officials, directors, agents, partners, representatives, principal shareholders, or owners of the Company or employees of any customers of the Company; or (iii) political contributions;

- (p) alleging, arising out of, based upon, or attributable to any actual or alleged discrimination, harassment, retaliation, wrongful discharge, termination or any other employment-related or employment practice claim, including but not limited to any wage-hour claim or any third-party discrimination or harassment claim; provided, however, that this exclusion shall not apply to any Securities Claim;
- (q) alleging, arising out of, based upon, or attributable to the ownership, management, maintenance, operation and/or control by the Company of any captive insurance company or entity, including but not limited to any Claim alleging the insolvency or bankruptcy of the Company as a result of such ownership, management, maintenance, operation and/or control;
- (r) alleging, arising out of, based upon, or attributable to based upon, arising from, or in consequence of any actual or alleged plagiarism, infringement or violation of any copyright, patent, trademark or service mark or the misappropriation of intellectual property, ideas or trade secrets; provided, however, that this exclusion shall apply only to any Claim under Insuring Agreement C.;
- (s) alleging, arising out of, based upon or attributable to the rendering or failure to render any professional service to a customer or client of the Insured; provided, however, that this exclusion shall not apply to any Securities Claim, but only if such Securities Claim is instigated and continued totally independent of, and totally without the solicitation of, or assistance of, or active participation of, or intervention of, the Company or any Insured Person.

4. ORDER OF PAYMENTS

In the event of Loss arising from a covered Claim for which payment is due under the provisions of this Coverage Section, the Insurer shall in all events:

- (1) first, pay Loss for which coverage is provided under this Coverage Section for any Insured Person under Insuring Agreement A.;
- (2) second, only after payment of Loss has been made pursuant to item (1) above, with respect to whatever remaining amount of any Limit of Liability applicable to this Coverage Section is available, pay the Loss for which coverage is provided under this Coverage Section for the Company under Insuring Agreement B.; and
- (3) third, only after payment of Loss has been made pursuant to items (1) and (2) above, with respect to whatever remaining amount of any Limit of Liability applicable to this Coverage Section is available, pay the Loss for which coverage is provided under this Coverage Section for the Company under Insuring Agreement C. and D.

5. NON-RESCINDABLE CLAUSE

The Insurer irrevocably waives any right it may have to rescind coverage available under Insuring Agreement A. of this Coverage Section, in whole or in part, on any grounds.

STARR INDEMNITY AND LIABILITY COMPANY

RESOLUTE PORTFOLIOSM For Private Companies

Employment Practices Liability Coverage Section

In consideration of the payment of the premium and in reliance upon the Application, which shall be deemed to be attached to, incorporated into, and made a part of this policy, and subject to the General Terms & Conditions Section and this Coverage Section, if purchased by the Insured as indicated in Item 3 of the Declarations, STARR INDEMNITY AND LIABILITY COMPANY (the "Insurer") and the Parent Company, on behalf of all Insureds, agree as follows:

1. INSURING AGREEMENTS

A. Employment Practices Liability Coverage

The Insurer shall pay on behalf of any Insured the Loss arising from a Claim first made during the Policy Period (or Discovery Period, if applicable) against such Insured for any Wrongful Act, and reported to the Insurer in accordance with the terms of this policy.

B. Third-Party Liability Coverage (Optional)

The Insurer shall pay on behalf of any Insured the Loss arising from a Third-Party Claim first made during the Policy Period (or Discovery Period, if applicable) against such Insured for any Third-Party Wrongful Act, and reported to the Insurer in accordance with the terms of this policy. This Insuring Agreement B. shall apply only if purchased by the Insured as indicated in Item 3 of the Declarations and is subject to the Sublimit of Liability set forth in Item 4 of the Declarations which is the Insurer's maximum limit of liability under this Insuring Agreement B. for all Loss arising from all Third-Party Claims. The Sublimit of Liability for Third-Party Claims shall be part of, and not in addition to, the Limit of Liability applicable to this Coverage Section.

2. DEFINITIONS

- (a) "Benefits" means perquisites, fringe benefits, deferred compensation or payments (including insurance premiums) in connection with any employee-related plan. Benefits shall not include salary, wages, bonuses or non-deferred cash incentive compensation.
- (b) "Claim" means any:
 - (1) written demand for monetary, non-monetary or injunctive relief made against an Insured;
 - (2) judicial, administrative or regulatory proceeding, whether civil or criminal, for monetary, non-monetary or injunctive relief commenced against an Insured, including any appeal therefrom, which is commenced by:
 - (i) service of a complaint or similar pleading;
 - (ii) return of an indictment, information or similar document (in the case of a criminal proceeding); or
 - (iii) receipt or filing of a notice of charges;

- (3) arbitration proceeding commenced against an Insured by service of a demand for arbitration;
- (4) notification of an investigation of an Insured by the Equal Employment Opportunity Commission ("EEOC") or similar governmental agency commenced by the filing of a notice of charges, formal investigative order or similar document;
- (5) audit of an Insured conducted by the United States of America Office of Federal Contract Compliance Programs ("OFCCP"), but only if commenced by the receipt of a notice of violation, order to show cause, or a written demand for monetary or non-monetary or injunctive relief;
- (6) written request to toll or waive the applicable statute of limitations relating to a potential Claim against an Insured for a Wrongful Act; or
- (7) Third-Party Claim, solely under Insuring Agreement B. if purchased by the Insured.

Claim shall not include any labor or grievance arbitration or other proceeding pursuant to a collective bargaining agreement.

- (c) "Discrimination" means any violation of employment discrimination laws, including but not limited to any actual, alleged or constructive employment termination, dismissal, or discharge, employment demotion, denial of tenure, modification of any term or condition of employment, any failure or refusal to hire or promote, or any limitation or segregation of any Employee or applicant for employment by the Company in any way that would deprive any person of employment opportunities based on such person's race, color, religion, creed, age, sex, disability, marital status, national origin, pregnancy, HIV status, sexual orientation or preference, veteran status or any other status that is protected pursuant to any foreign, federal, state, or local statutory law or common law.
- (d) "Employee" means any:
 - (1) person who was, now is, or shall become a full-time, part-time, seasonal, or temporary employee of the Company, but only while that person is acting in the capacity as such;
 - (2) person leased to the Company or any Independent Contractor so long as this person is working solely for the Company and only for conduct within his or her duties as such, but only if the Company indemnifies such leased person or Independent Contractor in the same manner as the Company's employees; and
 - (3) volunteer whose labor and service is engaged and directed by the Company, but only while that person is acting in the capacity as such.
- (e) "Executive" means:
 - (1) any past, present or future duly elected or appointed director, officer, trustee, governor, management committee Member or Member of the board of managers, but only while that person is acting in the capacity as such; or
 - (2) any past, present or future person in a duly elected or appointed position in an entity which is organized and operated in a foreign jurisdiction that is equivalent to an executive position listed in (1) above, but only while that person is acting in the capacity as such.
- (f) "Harassment" means:

- (1) sexual harassment, including unwelcome sexual advances, requests for sexual favors, or other conduct of a sexual nature that is made a condition of employment with, used as a basis for employment decisions by, interferes with performance or creates an intimidating, hostile or offensive working environment within the Company or Outside Entity; or
 - (2) workplace harassment, including work-related harassment of a non-sexual nature that interferes with performance or creates an intimidating, hostile or offensive working environment within the Company or Outside Entity.
- (g) "Independent Contractor" means any natural person working in the capacity of an independent contractor pursuant to a written contract or agreement between the Independent Contractor and the Company which specifies the terms of the Company's engagement of the Independent Contractor.
- (h) "Insured(s)" means the Company and any Insured Person.
- (i) "Insured Person(s)" means any:
- (1) Executive;
 - (2) Employee; or
 - (3) Outside Entity Insured Person.
- (j) "Loss" means:
- (1) damages (including back pay and front pay), settlements or judgments;
 - (2) pre-judgment or post-judgment interest;
 - (3) costs or fees awarded in favor of the claimant;
 - (4) punitive, exemplary and multiplied damages (including the multiple or liquidated damages awarded pursuant to the Age Discrimination in Employment Act or Equal Pay Act), but only to the extent such damages are insurable under the applicable law most favorable to the insurability of such damages; and
 - (5) Defense Costs.
- "Loss" does not include:
- (i) any amounts for which the Insureds are not legally liable;
 - (ii) any amounts which are without legal recourse to the Insureds;
 - (iii) taxes;
 - (iv) fines and penalties, except as provided for in Definition (j) (4) above;
 - (v) matters which may be deemed uninsurable under applicable law;
 - (vi) any costs or liability incurred by any Insured to modify any building or property to make it more accessible or accommodating to any disabled person, or in connection with any educational, sensitivity or other corporate program, policy or seminar;

(vi) **Stock Benefits** due or to become due or the equivalent value of such **Stock Benefits**; or

(viii) any future compensation, including any **Benefits**, for any person hired, promoted or reinstated pursuant to a judgment, settlement, order or other resolution of a **Claim**.

However, this policy shall provide coverage for **Defense Costs** incurred in a **Claim** involving items (i) through (viii) above, subject to all other terms, conditions and exclusions of this policy.

(k) **"Outside Entity"** means: (1) any not-for-profit entity which is exempt from taxation under Section 501(c)(3), (4) or (10) of the IRS Code, as amended, or any rule or regulation promulgated thereunder; or (2) any other entity listed as such by endorsement to this policy, for which an **Executive** acts as a director, officer, trustee or governor (or the equivalent thereof) at the specific request of the **Company**. Any such **Executive** shall be referred to herein as an **"Outside Entity Insured Person"**, but only while that person is acting in the capacity as a director, officer, trustee or governor (or the equivalent thereof) of an **Outside Entity**.

(l) **"Retaliation"** means retaliatory treatment of an **Employee** or an employee of an **Outside Entity** alleged to be on account of such individual:

- (1) exercising his or her rights under law, including rights under worker's compensation laws, the Family and Medical Leave Act, the Americans with Disabilities Act or any other law relating to employee rights;
- (2) refusing to violate any law or opposing any unlawful practice;
- (3) having assisted or testified in or cooperated with any legal proceeding or formal governmental investigation regarding alleged violations of law by any **Insured**;
- (4) disclosing or expressing an intent to disclose to a superior or to any governmental agency any alleged violations of law; or
- (5) filing or expressing an intent to file any claim against the **Company** or **Outside Entity** under the Federal False Claims Act or any other similar foreign, federal, state, or local "whistle blower" law.

(m) **"Stock Benefits"** means any offering, plan or agreement between the **Company** and any **Insured Person** thereof, which grants stock or stock options or stock appreciation rights to such individual, including but not limited to stock options, restricted stock or any other stock grant, but not including employee stock ownership plans or employee stock purchase plans.

(n) **"Subsidiary"** means any privately-held for-profit entity (except a partnership) of which the **Parent Company**:

- (1) has **Management Control** ("Controlled Entity") before the inception of the **Policy Period**, either directly or indirectly through one or more other **Controlled Entities**;
- (2) first acquires **Management Control** during the **Policy Period**, either directly or indirectly through one or more other **Controlled Entities**, if such entity's employee count totals less than 25% of the consolidated employee count of the **Parent Company**; or

- (3) first acquires Management Control during the Policy Period, either directly or indirectly through one or more other Controlled Entities, if such entity's employee count totals 25% or more of the consolidated employee count of the Parent Company, but only if the Parent Company provides the Insurer with full particulars of the new Subsidiary within ninety (90) days after its creation or acquisition and pays any additional premium with respect to such entity within thirty (30) days after being requested to do so by the Insurer;

provided, however, that Subsidiary as defined in items (2) and (3) above shall not include any entity which is a financial institution, such as a bank, insurance company, insurance agent/broker, securities broker/dealer, investment advisor, mutual fund or hedge fund, unless such entity is included in the definition of Subsidiary by specific written endorsement attached to this policy.

"Subsidiary" also means any not-for-profit entity which is under the exclusive control of the Company.

With respect to a Claim made against any Subsidiary or any Insured Person thereof, this policy shall only apply to Wrongful Acts committed or allegedly committed after the effective time such entity becomes a Subsidiary and prior to the effective time that such entity ceases to be a Subsidiary.

- (o) "Third-Party" means any natural person who is a customer, vendor, service provider or other business invitee of the Company. Third-Party shall not include an Insured Person.

- (p) "Third-Party Claim" means a Claim for any Third-Party Wrongful Act.

- (q) "Third-Party Wrongful Act" means any actual or alleged:

- (1) discrimination against a Third-Party based upon such Third-Party's race, color, religion, creed, age, sex, disability, marital status, national origin, pregnancy, HIV status, sexual orientation or preference, veteran status or any other status that is protected pursuant to any foreign, federal, state, or local statutory law or common law; or
- (2) sexual harassment, including unwelcome sexual advances, requests for sexual favors or other conduct of a sexual nature against a Third-Party.

- (r) "Workplace Tort" means any employment-related:

- (1) misrepresentation, defamation (including libel and slander), false arrest, detention, imprisonment, invasion of privacy, negligent evaluation, wrongful discipline or wrongful deprivation of a career opportunity; or
- (2) negligent retention, supervision, hiring or training, wrongful infliction of emotional distress, mental anguish or humiliation or failure to provide or enforce consistent employment-related corporate policies and procedures,

when alleged as part of a Claim for actual or alleged Wrongful Employment Decision, Discrimination, Harassment, or Retaliation.

- (s) "Wrongful Act(s)" means any actual or alleged Discrimination, Harassment, Retaliation, Workplace Tort or Wrongful Employment Decision committed by the Insured but only if such act relates to an Employee or an applicant for employment with the Company or an Outside Entity.

- (t) "Wrongful Employment Decision" means any actual or alleged: (1) wrongful termination,

dismissal, or discharge of employment, demotion, denial of tenure, or failure or refusal to hire or promote; or (2) breach of any implied employment contract or obligation, including but not limited to any such obligation arising out of any personnel manual, employee handbook or policy statement.

3. EXCLUSIONS

This policy shall not cover any Loss in connection with any Claim:

- (a) alleging, arising out of, based upon or attributable to any deliberate criminal or deliberate fraudulent act by an Insured if a final judgment or adjudication establishes that such criminal or fraudulent act occurred;

In determining the applicability of Exclusion (a), the facts pertaining to, the knowledge possessed by, or any Wrongful Act committed by, any Insured shall not be imputed to any other Insured; however, the facts pertaining to, the knowledge possessed by, or any Wrongful Act committed by, an Insured Person who is a past or current chairman of the board, chief executive officer, president or chief financial officer of the Company shall be imputed to the Company.

- (b) alleging, arising out of, based upon or attributable to any actual or alleged liability of the Insured under any express contract or agreement, except to the extent that the Insured would have been liable in the absence of such contract or agreement; provided, however, that this exclusion shall not apply to any Claim brought against an Insured Person;
- (c) alleging, arising out of, based upon or attributable to, as of the Pending or Prior Date set forth in Item 6 of the Declarations as respects this Coverage Section, any pending or prior: (i) litigation; or (ii) administrative or regulatory proceeding or investigation of which an Insured had notice, including any Claim alleging or derived from the same or essentially the same facts, or the same or related Wrongful Act(s), as alleged in such pending or prior litigation or administrative or regulatory proceeding or investigation;
- (d) alleging, arising out of, based upon or attributable to the same facts or essentially the same facts alleged, or to the same or related Wrongful Act(s) alleged or contained in any Claim which has been reported, or in any circumstances of which notice has been given, before the inception date of this policy as set forth in Item 2 of the Declarations, under any policy, whether excess or underlying, of which this policy is a renewal or replacement or which it may succeed in time;
- (e) for any Wrongful Act arising out of any Insured Person serving as a director, officer, trustee or governor of an Outside Entity if such Claim is brought by the Outside Entity or by any director, officer, trustee or governor thereof;
- (f) for bodily injury (except emotional distress or mental anguish when associated with a Wrongful Act), sickness, disease or death of any person, or damage to or destruction of any tangible property, including the loss of use thereof;
- (g) alleging, arising out of, based upon, attributable to or in any way relating to the refusal, failure or inability of any Insured to pay wages or overtime pay for services rendered (exclusive of tort-based front pay or back pay), improper classification of any Employee(s), improper payroll deductions taken by any Insured from any Employee or purported Employee, or failure to provide or enforce legally required meal or rest break periods; provided, however, that this exclusion shall not apply to any Claim for Retaliation;

- (h) alleging, arising out of, based upon or attributable to any actual or alleged violation of the Employee Retirement Income Security Act of 1974, the Fair Labor Standards Act (except the Equal Pay Act), the National Labor Relations Act, the Worker Adjustment and Retraining Notification Act, the Consolidated Omnibus Budget Reconciliation Act, the Occupational Safety and Health Act, any rules or regulations of the foregoing promulgated thereunder, and any amendments thereto, or any similar foreign, federal, state or statutory law or common law; provided, however, that this exclusion shall not apply to any Claim for Retaliation;
- (i) alleging, arising out of, based upon or attributable to any obligation pursuant to any worker's compensation, disability benefits, unemployment compensation, unemployment insurance, retirement benefits, social security benefits or similar law; provided, however, that this exclusion shall not apply to any Claim for Retaliation;
- (j) alleging, arising out of, based upon or attributable to any lockout, strike, picket line, hiring of replacement workers, or other similar actions in connection with labor disputes or labor negotiations; provided, however, that this exclusion shall not apply to any Claim for Retaliation;
- (k) alleging, arising out of, based upon or attributable to any Claim brought by a securities holder of a Company or an Outside Entity in their capacity as such;
- (l) alleging, arising out of, based upon or attributable to any actual or alleged act or omission of an Insured Person serving in any capacity, other than as an Insured Person.

RESOLUTE PORTFOLIO SM

RISK MANAGEMENT PROGRAM

**A Program offered by C.V. Starr & Company (C.V. Starr) for
purchasers of policies written through Starr Indemnity & Liability
Company and acting as Coverholder for Lloyd's Syndicate CVS
1919**

**Presented in Conjunction with the National Law Firm of Jackson
Lewis LLP**

1. What risk management program is offered by C.V. Starr?

To assist companies insured through C.V. Starr to reduce the risk of employment claims by employees, C.V. Starr has developed a valuable and cost-free risk management program. We have developed this program in conjunction with Jackson Lewis LLP, a national law firm with 41 offices and over 500 attorneys across the United States. For over 50 years, Jackson Lewis has assisted employers in developing preventive programs and to defend workplace law claims when they arise. Jackson Lewis represents employers in all aspects of workplace law, including employment litigation, disability and leave management, reductions in force, affirmative action, benefits, immigration, wage-hour, trade secrets and restrictive covenants, drug testing and labor relations. The firm maintains a website providing comprehensive information about these and other workplace law topics. To access that website, go to www.jacksonlewis.com. The website is only the first step of this program. In addition, Jackson Lewis is joining with C.V. Starr to provide a call-in "hotline" for companies insured by C.V. Starr to ask questions about workplace concerns. To contact the hotline, call: 1-866-758- 6874.

2. When I use the hotline, how should I identify myself?

To verify that callers are insured through C.V. Starr, each caller must provide his or her name, the name of the Insured Company on the Policy declaration page, and the policy number, as well as the caller's e-mail address, mailing address and telephone number. After obtaining this information, a representative of Jackson Lewis will ask the caller to describe his or her question and to provide a brief description of the facts.

3. After I call the hotline, when can I expect to receive a response?

Callers often will receive a response the same day, but almost always within 24 hours of placing a call. While there may be slight delays due to a particular attorney's trial or travel schedule or other commitments, Jackson Lewis' long-standing policy is to return calls on

the day they are received or within 24 hours of receipt of that call. That firm policy will apply to hotline calls.

4. If there is any problem or delay in receiving a hotline call, what should I do?

Jackson Lewis partner, Wendy J. Mellk, will oversee management of the hotline. You can contact Ms. Mellk if you have any questions about the hotline or any problems with regard to any concern about how a question you presented has been addressed. You can reach Ms. Mellk at 631-247-4614 or at mellkw@jacksonlewis.com. Ms. Mellk is an experienced employment attorney and has managed hotlines and other risk management programs for many years.

5. What questions are appropriately presented through the hotline (and which are not)?

The hotline is not intended to provide a determinative answer as to whether any specific adverse personnel action should be taken. Before a decision is made as to whether to discharge an employee, deny reinstatement after a leave of absence, take any action after receiving a complaint of harassment or taking any other adverse personnel action, your company should consult with experienced employment counsel. To provide advice as to what to do in a particular instance, retained counsel would require information as to what the company has done when similarly situated workers engaged in comparable acts of misconduct; a review of that individual's personnel file (and perhaps the file of the "victim"); interviews of potential witnesses; interviews of supervisors and others with knowledge of the facts underlying the contemplated adverse personnel action; review of applicable personnel policies and procedures; analysis of demographic information; an understanding of your Company's long term and short term operational and employment strategies; and numerous other facts. The hotline is not designed for such an in-depth analysis.

In contrast, the hotline provides an excellent opportunity to obtain general information about a broad range of subjects. For example, while the hotline cannot be used to determine whether it would be discriminatory for a particular individual to be denied a promotion, you can ask about the factors to consider when evaluating possible claims relating to denial of promotion. Similarly, while the hotline cannot be used to determine whether a particular individual must be reinstated after a medical or family and medical leave, it can be used to provide information about when the law requires that a medical or Family Medical Leave Act ("FMLA") covered leave be granted and factors to consider when evaluating reinstatement. Simply stated, the hotline is for a general legal overview, not "can I fire this guy?" or similar adverse actions.

6. Can the hotline be used to inquire about sexual or other forms of harassment?

Yes. Hotline questions can address such issues as what the Equal Employment Opportunity Commission and courts generally consider to be harassment. Also, you can inquire about appropriate steps to take when investigating reports of harassment, including suggestions

for witness interviews; documentation of a complaint and witness interviews; development of a sexual harassment policy; and other preventive actions. (The hotline is not the appropriate vehicle for determining what to do after the investigation is conducted. Consideration of adverse personnel actions should be addressed with counsel.)

7. Can the hotline be used to discuss what the company believes are acts of insubordination and refusal to comply with a supervisor's instructions?

Yes. An overview of your company's rights can be obtained with respect to the types of actions it could consider when an individual fails or refuses to perform his or her job duties. However, as noted above, the hotline is not appropriate for use in determining whether an individual can be discharged because he or she did not perform a specific task. That analysis requires far more information and involvement by counsel than the hotline is intended to provide.

8. How long can I speak to the attorney during a hotline call?

Most hotline calls last about 10 to 15 minutes. If a call requires more time, additional time will be allotted. While you can call as often as you wish, the hotline is not a substitute for a relationship with counsel. Only your counsel will have access to personnel policies, personnel files, past practice information and similar information needed to make recommendations about what should be done. The hotline is an excellent place to initiate a risk management decision or program. It is not intended to replace the relationship your company should develop with experienced employment counsel.

9. Can we ask questions about leaves of absence and when they should be given?

Yes. However, as noted above, whether a particular individual is entitled to leave or reinstatement after a leave is a matter that requires evaluation of an employer's past practices and its own personnel policies. Nonetheless, determination of whether the FMLA or state leave laws apply to your company and how they generally should be administered are appropriate subjects to discuss during a hotline call. Similarly, whether employees on leave can be required to use accumulated paid time off (e.g., sick days, vacation days, personal days, etc.) also can be addressed during a hotline call.

10. Can we use the hotline call to discuss development of policies to preserve the at-will nature of employment?

Yes. Almost all states presume that employment is terminable on an at-will basis unless the employer has adopted personnel policies that limit the right to discharge on an at-will basis. However, whether your company has, intentionally or unintentionally, entered into an employment agreement or other limitation upon the right to discharge on an at-will basis, is beyond the scope of the hotline. Limitations on the at-will status of employment may arise from personnel policies, handbook provisions, offer letters or other corporate actions. The firm can

provide sample receipt or acknowledgement forms for an employee handbook, which confirm that at-will status of employment. If you would like a sample document to discuss with your counsel, please send an e-mail to Wendy Mellk, the Hotline Coordinator, at wmellkw@jacksonlewis.com.

11. Can I use the hotline to inquire about how benefits programs should be administered or how immigration processes operate?

No. The hotline is for employment related issues, not benefits, fiduciary or immigration law questions. Those questions are beyond the scope of the hotline. However, we have negotiated discounted rates with Jackson Lewis for benefits and immigration-related representation. As a company insured through C.V. Starr, you will receive a 10% discount if you retain Jackson Lewis to address benefits or immigration issues.

12. Can I use the hotline to inquire about whether our Company is a government contractor or subcontractor that must maintain an affirmative action plan (or how such a plan must be developed)?

Yes. Jackson Lewis maintains an affirmative action/government contracts practice group, which will be available through the hotline, to address inquiries about the circumstances under which an employer is considered a federal contractor or subcontractor that must develop an affirmative action plan. However, what your company must do in a particular instance is beyond the scope of the hotline. For example, if your company is a government contractor or subcontractor with respect to a contract in excess of \$50,000, it is likely to be required to develop an affirmative action plan, if it employs at least 50 employees. However, if your company lacks such a federal contract, but is part of a larger entity and a subsidiary or division of that parent company has a federal contract, government contractor or subcontractor status still may exist. Determination of that status (and the obligation to prepare an annual affirmative action plan) is subject to complex tests enunciated by the United States Department of Labor, Office of Federal Contract Compliance Programs. Such a determination, like the determination as to whether an individual should or should not be discharged, is beyond the scope of the hotline.

13. Can I use the hotline to inquire about employment law issues relating to workers who are engaged by our company outside the United States?

No. Jackson Lewis limits its practice to employment law solely within the United States. However, the firm may be able to provide an introduction to counsel practicing in the foreign country if the issue exists.

14. Can the hotline be used to report a discrimination claim or a lawsuit?

No. The hotline is for receiving a general overview about human resources and employment issues. It is not to be used to report the filing of administrative charges, arbitration demand letters, service of lawsuits or other notices of claim or circumstances under any potentially applicable insurance. Providing such information to Jackson Lewis does not obligate —

the firm to provide notice in your Company's behalf to C.V. Starr, Starr Indemnity & Liability Company, C.V. Starr & Company acting as Coverholder for Lloyd's Syndicate CVS 1919, or any other insurer, nor is Jackson Lewis authorized to provide coverage determinations under your policy. It is your responsibility to notify your broker or LVL Claims Services, LLC in accordance with the terms of the insurance policy. If you have any questions about how to report a claim, you should contact your broker or LVL Claims Services, LLC. LVL Claims Services, LLC can be contacted by telephone at 212-359-3950 or by e-mail at [Notice@LVL Claims.com](mailto:Notice@LVLClaims.com)

15. Will the questions that I ask and the answers that I receive be disclosed to C.V. Starr?

No. Each month, C.V. Starr will receive from Jackson Lewis a narrative statement which will indicate, for each call, the name of the caller and his or her company, the policy number and the time spent on that call. We will not be advised of the discussion during that telephone call (e.g., inquiry about harassment, at-will status, wage-hour issues, etc.).

16. Will my use of the hotline result in a higher premium if I use it more than another company uses the hotline?

No. The hotline is intended to provide risk management services and to assist your company to avoid claims and workplace disputes. We encourage you to use the hotline. No company will be penalized for its use of the hotline when renewal discussions take place. (However, as we have explained above, the hotline is not a substitute for a relationship with experienced employment counsel. While you can call to obtain general information and an overview of issues to consider, you should not use the hotline as a substitute for a relationship with counsel.)

STARR INDEMNITY AND LIABILITY COMPANY

RESOLUTE PORTFOLIOSM

For Private Companies

Fiduciary Liability Coverage Section

In consideration of the payment of the premium and in reliance upon the Application, which shall be deemed to be attached to, incorporated into, and made a part of this policy, and subject to the General Terms & Conditions Section and this Coverage Section, if purchased by the Insured as indicated in Item 3 of the Declarations, STARR INDEMNITY AND LIABILITY COMPANY (the "Insurer") and the Parent Company, on behalf of all Insureds, agree as follows:

1. INSURING AGREEMENTS

A. Fiduciary Liability Coverage

The Insurer shall pay on behalf of any Insured the Loss arising from a Claim first made during the Policy Period (or Discovery Period, if applicable) against such Insured for any Wrongful Act, and reported to the Insurer in accordance with the terms of this policy.

The Insurer shall also pay on behalf of any Insured the Loss arising from a HIPAA Claim first made during the Policy Period (or Discovery Period, if applicable) against such Insured for any Wrongful Act, and reported to the Insurer in accordance with the terms of this policy. Coverage for HIPAA Claims under this Insuring Agreement A. is subject to the Sublimit of Liability set forth in Item 4 of the Declarations which is the Insurer's maximum limit of liability under this Insuring Agreement A. for all Loss arising from all HIPAA Claims. The Sublimit of Liability for HIPAA Claims shall be part of, and not in addition to, the Limit of Liability applicable to this Coverage Section.

B. Voluntary Compliance Program Coverage (Optional)

The Insurer shall reimburse any Insured the Voluntary Compliance Program Loss incurred by the Insured during the Policy Period (or Discovery Period, if applicable), and reported to the Insurer in accordance with the terms of this policy. This Insuring Agreement B. shall apply only if purchased by the Insured as indicated in Item 3 of the Declarations and is subject to the Sublimit of Liability set forth in Item 4 of the Declarations which is the Insurer's maximum limit of liability under this Insuring Agreement B. for all Voluntary Compliance Program Losses. The Sublimit of Liability for Voluntary Compliance Program Loss shall be part of, and not in addition to, the Limit of Liability applicable to this Coverage Section.

The reimbursement by the Insurer to the Insured of any Voluntary Compliance Program Loss under this Coverage Section shall not waive any of the Insurer's rights under this policy or at law, including in the event that such Loss results in a Claim under Insuring Agreement A. of this Coverage Section.

2. DEFINITIONS

(a) "Administration" means:

- (1) advising, counseling or giving notice to Employees with respect to any Plan;
- (2) providing interpretations to Employees, participants or beneficiaries with respect to any Plan; or
- (3) handling of records or effecting enrollment, termination or cancellation of Employees, participants or beneficiaries under any Plan.

(b) "Benefits" means any obligation under a Plan to a participant or beneficiary under a Plan which is a payment of money or property, or the grant of a privilege, right, option or perquisite.

(c) "Claim" means any:

- (1) written demand for monetary, non-monetary or injunctive relief made against an Insured;
- (2) judicial, administrative or regulatory proceeding, whether civil or criminal, for monetary, non-monetary or injunctive relief commenced against an Insured, including any appeal therefrom, which is commenced by:
 - (i) service of a complaint or similar pleading;
 - (ii) return of an indictment, information or similar document (in the case of a criminal proceeding); or
 - (iii) receipt or filing of a notice of charges;
- (3) written notice of commencement of a fact finding investigation by the U.S. Department of Labor, the U.S. Pension Benefit Guaranty Corporation, or any similar governmental authority located outside the United States, including but not limited to, the Pensions Ombudsman appointed by the United Kingdom Pensions Regulator or any successor body thereto;
- (4) Voluntary Settlement Program Loss, solely under Insuring Agreement B. if purchased by the Insured; or
- (5) written request to toll or waive the applicable statute of limitations relating to a potential Claim against an Insured for a Wrongful Act.

(d) "Employee(s)" means any natural person whose labor or service is engaged or directed by the Company or any Plan including any part-time, seasonal, leased or temporary employees or volunteers. Employee shall not include any Independent Contractor.

(e) "ERISA" means the Employee Retirement Income Security Act of 1974, or any amendments thereto or any rules or regulations promulgated thereunder, or any similar provisions of any federal, state, or local statutory law;

(f) "ESOP" means any employee stock ownership plan as defined in ERISA, or any other Plan under which investments are made in securities of or issued by the Company;

(g) "HIPAA Claim" means a Claim alleging, arising out of, based upon or attributable to the Health Insurance Portability and Accountability Act of 1996 and any amendments thereto ("HIPAA").

(h) **"HIPAA Penalties"** means civil money penalties imposed upon an Insured for violation of HIPAA's privacy provisions.

(i) **"Indemnifiable Loss"** means Loss for which the Company has indemnified or is permitted or required to indemnify any Insured Person.

(j) **"Independent Contractor"** means any person working in the capacity of an independent contractor pursuant to a written contract or agreement between the Independent Contractor and the Company which specifies the terms of the Company's engagement of the Independent Contractor.

(k) **"Insured(s)"** means:

(1) the Company;

(2) any Plan;

(3) any Insured Person; and

(4) any other person or entity in his, her or its capacity as a fiduciary, administrator or trustee of a Plan and included in the Definition of Insured by specific written endorsement attached to this policy.

(l) **"Insured Person(s)"** means any: (1) past, present or future natural person director, officer, trustee, general partner, management committee member, member of board of managers, governor (or any foreign equivalent); or (2) Employee of the Company or the Plan while acting in his or her capacity as a fiduciary of a Plan.

(m) **"Loss"** means:

(1) damages, settlements or judgments;

(2) pre-judgment or post-judgment interest;

(3) costs or fees awarded in favor of the claimant;

(4) punitive, exemplary or the multiplied portion of any multiple damages awards, but only to the extent that such damages are insurable under the applicable law most favorable to the insurability of such damages;

(5) Voluntary Compliance Program Loss, solely under Insuring Agreement B. if purchased by the Insured; and

(6) Defense Costs.

"Loss" does not include:

(i) any amounts for which the Insureds are not legally liable;

(ii) any amounts which are without legal recourse to the Insureds;

(iii) taxes;

(iv) fines and penalties, except:

- (a) as provided for in Definition (m) (4) above;
- (b) the five percent (5%) or less civil penalty imposed upon an Insured under Section 502 (l) of ERISA;
- (c) the twenty percent (20%) or less civil penalty imposed upon an Insured under Section 502 (l) of ERISA;
- (d) any civil fines and penalties imposed by either the Pension Ombudsman appointed by the United Kingdom Secretary of State for Social Services, by the United Kingdom Occupational Pensions Regulatory Authority, by the United Kingdom Pensions Regulator or any successor body thereto; provided, however, that any coverage for such fines and penalties applies only if the funds or assets of the subject Plan are not used to fund, pay or reimburse the premium for this Coverage Section;
- (e) fines and penalties as respects Voluntary Compliance Program Loss, solely under Insuring Agreement B. if purchased by the Insured; or
- (f) HIPAA Penalties, solely under Insuring Agreement A.
- (v) the return or reversion to an employer of any contribution or asset of a Plan;
- (vi) Benefits, or that portion of any settlement or award in an amount equal to such Benefits, unless and to the extent that recovery of such Benefits is based upon a covered Wrongful Act and is payable as a personal obligation of an Insured Person;
- (vii) matters which may be deemed uninsurable under applicable law; or
- (viii) any amounts paid or incurred in complying with a judgment or settlement for non-monetary or injunctive relief, but solely as respects the Company.

However, this policy shall provide coverage for Defense Costs incurred in a Claim involving items (i) through (viii) above, subject to all other terms, conditions and exclusions of this policy.

- (n) "Non-qualified Plan" means any of the following plans for a select group of management or highly compensated directors, officers and/or employees: deferred compensation plan, supplemental executive retirement plan, top-hat plan, or excess benefit plan. Non-qualified Plan shall not include any ESOP or stock option plan.
- (o) "Plan" means any plan, fund, trust, program or Non-qualified Plan regardless of whether or not it is subject to regulation under Title I of ERISA or any part thereof, or meets the requirements for qualification under Section 401 of the Internal Revenue Code of 1986, as amended, and which is:
 - (1) a welfare plan, as defined in ERISA, sponsored solely by the Company, or sponsored jointly by the Company and a labor organization, solely for the benefit of Employees;
 - (2) a pension plan, as defined in ERISA (other than an ESOP), sponsored solely by the Company, or sponsored jointly by the Company and a labor organization, solely for the benefit of Employees, provided that, prior to the inception date of this policy, such

plan has been reported in writing to the Insurer pursuant to the terms of the Application for this policy or pursuant to the terms of any prior policy issued by the Insurer or the Application for such policy and the Company shall have paid the premium required for such plan;

- (3) a pension plan, as defined in ERISA (other than an ESOP), which, during the Policy Period becomes sponsored solely by the Company, or sponsored jointly by the Company and a labor organization, solely for the benefit of Employees, subject to the following:
 - (i) if the assets of such Plan total 25% or less of the total consolidated assets of the Plans covered by this policy as of the inception date of this Coverage Section, this policy shall provide coverage with respect to Wrongful Acts that occurred after the date of such sponsorship. As a condition precedent to such coverage, the Company shall give written notice of such sponsorship to the Insurer prior to the end of the Policy Period; and
 - (ii) if the assets of such Plan total more than 25% of the total consolidated assets of the Plans covered by this policy as of the inception date of this Coverage Section, this policy shall provide coverage with respect to Wrongful Acts that occurred after the date of such sponsorship. As a condition precedent to such coverage, the Company shall give written notice of such sponsorship to the Insurer within ninety (90) days after the date of such sponsorship, with full particulars regarding such plan, and the Company shall have paid the premium required for such plan.
- (4) a plan which is both a welfare plan and a pension plan as defined in ERISA (other than an ESOP);
- (5) a government-mandated program for workers compensation, unemployment, social security or disability benefits for Employees; solely with respect to a Wrongful Act as defined in Definition (r) (2) by an Insured Person;
- (6) an ESOP that is included in the definition of Plan by written endorsement to this policy; or
- (7) any other plan, fund, trust or program, including a multi-employer plan(s), solely with respect to a Wrongful Act by an Insured Person if acting at the specific request of the Company, which is included in the definition of Plan by specific written endorsement attached to this policy.

With respect to paragraphs (1) and (2) of this Definition, coverage under this policy shall apply to any pension or welfare plan that was merged, sold, spun-off or terminated prior to the Policy Period with respect to Wrongful Acts that occurred prior to the date of such merger, sale or spin-off or prior to the final date of asset distribution of such plan. As a condition precedent to such coverage, the Company shall give written notice of such transaction to the Insurer prior to the inception date of this policy and the Company shall have paid the premium required for such plan.

With respect to paragraphs (1) and (2) of this Definition, coverage under this policy shall apply to any pension or welfare plan that was merged, sold, spun-off or terminated during the Policy Period with respect to Wrongful Acts that occurred prior to the date of such merger, sale or spin-off or prior to the final date of asset distribution of such plan. As a condition precedent to such coverage, the Company shall give written notice of such transaction to the Insurer prior to the end of the Policy Period.

(p) **"Subsidiary"** means any for-profit entity (except a partnership) of which the Parent Company:

- (1) has Management Control ("Controlled Entity") before the inception of the Policy Period, either directly or indirectly through one or more other Controlled Entities;
- (2) first acquires Management Control during the Policy Period, either directly or indirectly through one or more other Controlled Entities, if such entity's assets total less than 35% of the consolidated assets of the Parent Company as of its most recently filed Form 10-Q; or
- (3) first acquires Management Control during the Policy Period, either directly or indirectly through one or more other Controlled Entities, if such entity's assets total 35% or more of the consolidated assets of the Parent Company as of its most recently filed Form 10-Q, but only if the Parent Company provides the Insurer with full particulars of the new Subsidiary within ninety (90) days after its creation or acquisition and pays any additional premium with respect to such entity within thirty (30) days after being requested to do so by the Insurer;

provided, however, that Subsidiary as defined in (2) and (3) above shall not mean any entity which is a financial institution, including but not limited to a bank, insurance company, insurance agent/broker, securities broker/dealer, investment advisor, mutual fund or hedge fund, unless such entity is included in the definition of Subsidiary by specific written endorsement attached to this policy.

"Subsidiary" also means any not-for-profit entity which is under the exclusive control of the Company.

With respect to a Claim made against any Subsidiary or any Insured Person thereof, this policy shall only apply to Wrongful Acts committed or allegedly committed after the effective time such entity becomes a Subsidiary and prior to the effective time that such entity ceases to be a Subsidiary.

(q) **"Voluntary Compliance Program Loss"** means:

- (1) fines, penalties, sanctions, voluntary correction fees, compliance fees or user fees imposed upon or collected from an Insured by the Internal Revenue Service ("IRS") under the Employee Plans Compliance Resolution System pursuant to a written agreement with the IRS, but only in the event that the Insured first becomes aware during the Policy Period that a Plan must be corrected;
- (2) penalties imposed upon an Insured by the IRS or the U.S. Department of Labor ("DOL") under a Delinquent Filer Voluntary Compliance Program, but only in the event that the failure to timely file Form 5500 occurs during the Policy Period; and
- (3) damages incurred by an Insured in connection with the DOL's Voluntary Fiduciary Correction Program, but only in the event that the Insured's compliance with such program results in the Insured obtaining a "No Action" letter from the DOL and that the breach of fiduciary duty occurs during the Policy Period; provided, however, that Voluntary Compliance Program Loss under this Definition (q) (3) shall not include fines, penalties or sanctions.

Voluntary Compliance Program Loss shall not include any costs to correct the Insured's non-compliance.

- (r) "Wrongful Act" means, with respect to any Plan, any actual or alleged:
- (1) breach of the responsibilities, obligations or duties imposed upon fiduciaries of the Plan by ERISA;
 - (2) negligent act, error or omission in the Administration of any Plan;
 - (3) matter claimed against an Insured Person solely by reason of his or her service as a fiduciary of any Plan; or
 - (4) negligent hiring of a third-party to administer a Plan or Benefits provided thereunder.

3. EXCLUSIONS

This policy shall not cover any Loss in connection with any Claim:

- (a) arising out of, based upon or attributable to the gaining of any profit or advantage or improper or illegal remuneration if a final judgment or adjudication establishes that such Insured was not legally entitled to such profit or advantage or that such remuneration was improper or illegal;
- (b) arising out of, based upon or attributable to any deliberate fraud or any wilful violation of law by an Insured if a final judgment or adjudication establishes that such fraud or violation occurred;

In determining the applicability of Exclusions (a) and (b), the facts pertaining to, the knowledge possessed by, or any Wrongful Act committed by, any Insured shall not be imputed to any other Insured; however, the facts pertaining to, the knowledge possessed by, or any Wrongful Act committed by, an Insured Person who is a past or current chairman of the board, chief executive officer, president or chief financial officer of the Company shall be imputed to the Company.

- (c) for failure to fund a Plan in accordance with ERISA or the Plan instrument or to collect an employer's contributions owed to a Plan; provided, however, this exclusion shall not apply to: (i) the portion of Loss that is payable as a personal obligation of an Insured Person; or (ii) Defense Costs;
- (d) alleging, arising out of, based upon or attributable to the liability of others assumed by any Insured under any contract or agreement, either oral or written; provided, however, that this exclusion shall not apply: (i) to the extent that an Insured would have been liable in the absence of such contract or agreement; (ii) if the liability was assumed in accordance with or under the agreement or declaration of trust pursuant to which the Plan was established; or (iii) to Defense Costs.
- (e) alleging, arising out of, based upon or attributable to, as of the Pending or Prior Date set forth in Item 6 of the Declarations as respects this Coverage Section, any pending or prior: (i) litigation; or (ii) administrative or regulatory proceeding or investigation of which an Insured had notice, including any Claim alleging or derived from the same or essentially the same facts, or the same or related Wrongful Act(s), as alleged in such pending or prior litigation or administrative or regulatory proceeding or investigation;

- (f) alleging, arising out of, based upon or attributable to the facts alleged, or to the same or related Wrongful Act(s) alleged or contained in any Claim which has been reported, or in any circumstances of which notice has been given, before the inception date of this policy as set forth in Item 2 of the Declarations, under any policy, whether excess or underlying, of which this policy is a renewal or replacement or which it may succeed in time;
- (g) alleging, arising out of, based upon, attributable to, directly or indirectly resulting from, or in consequence of, or in any way involving, Pollution; provided, however, that this exclusion shall not apply to any non-Indemnifiable Loss alleging damage to a Plan, except for non-Indemnifiable Loss constituting Cleanup Costs;
- (h) for any actual or alleged bodily injury, sickness, mental anguish, emotional distress, libel, slander, oral or written publication of defamatory or disparaging material, disease or death of any person, or damage to or destruction of any tangible property, including the loss of use thereof; provided, however, that this exclusion shall not apply to Defense Costs incurred in defending a Claim alleging a violation of the responsibilities, obligations or duties of ERISA;
- (i) for any actual or alleged violation of any law governing workers' compensation, unemployment insurance, social security, disability benefits or similar law, anywhere in the world, except: (1) the Consolidated Omnibus Budget Reconciliation Act of 1985; (2) HIPAA; or (3) any amendments thereto or any rules or regulations promulgated thereunder;
- (j) by or on behalf of a fidelity insurer against a natural person whose conduct has resulted in a loss which has been paid under a fidelity bond;
- (k) alleging, arising out of, based upon, or attributable to any actual or alleged discrimination, harassment, retaliation, wrongful discharge, termination or any other employment-related or employment practice claim; provided, however, that this exclusion shall not apply to any Claim asserted under Section 510 of ERISA;
- (l) alleging, arising out of, based upon or attributable to any Wrongful Act as respects the Plan taking place at any time when the Company did not sponsor such Plan or when the Insured Person was not a fiduciary, administrator, trustee, director, officer, governor, management committee member, member of the board of managers, general partner or employee of the Company or, if applicable, a Plan;
- (m) alleging, arising out of, based upon or attributable to any act or omission of an Insured in his, her or its capacity as a fiduciary or administrator of any plan, fund or program, other than a Plan as defined in this Coverage Section, or by reason of his, her or its status as a fiduciary or administrator of such other plan, fund or program.

4. RIGHT OF RECOURSE

In the event an Insured breaches a fiduciary obligation under ERISA, the Insurer has the right of recourse against such Insured for any amount paid by the Insurer as a result of such breach of fiduciary duty, subject to all other terms and conditions of this policy; however, the Insurer shall have no right of recourse if the policy has been purchased by a fiduciary or by an employer or an employee organization.

5. ORDER OF PAYMENTS

In the event of Loss arising from a covered Claim for which payment is due under the provisions of this Coverage Section, the Insurer shall in all events:

- (1) first, pay Loss for which coverage is provided under this Coverage Section for any Insured Person;
- (2) second, only after payment of Loss has been made pursuant to item (1) above, with respect to whatever remaining amount of any Limit of Liability applicable to this Coverage Section is available, pay the Loss for which coverage is provided under this Coverage Section for any covered Plan; and
- (3) third, only after payment of Loss has been made pursuant to items (1) and (2) above, with respect to whatever remaining amount of any Limit of Liability applicable to this Coverage Section is available, pay the Loss for which coverage is provided under this Coverage Section for the Company.

6. NON-RESCINDABLE CLAUSE

Solely with respect to the coverage provided by this Coverage Section for any non-Indemnifiable Loss, the Insurer irrevocably waives any right it may have to rescind such coverage, in whole or in part, on any grounds.

Endorsement No.: 1

This endorsement, effective: December 23, 2011

(at 12:01 a.m. Standard Time at the address stated in Item 1 of the Declarations)

Forms a part of Policy No.: SISIFNL20059511

Issued to: 38 Studios, LLC

By: Starr Indemnity & Liability Company

OFAC EXCLUSION
(all Coverage Sections)

It is understood and agreed that Clause 3, EXCLUSIONS, of all applicable Coverage Sections is amended by adding the following exclusion:

This policy shall not cover any Loss in connection with any Claim in the event that such coverage would not be in compliance with any United States of America economic or trade sanctions, laws or regulations, including but not limited to the U.S. Treasury Department's Office of Foreign Assets Control, or any similar foreign, federal, state or statutory law or common law.

ALL OTHER TERMS AND CONDITIONS REMAIN UNCHANGED.



Authorized Representative

Endorsement No.: 2

This endorsement, effective: December 23, 2011

(at 12:01 a.m. Standard Time at the address stated in Item 1 of the Declarations)

Forms a part of Policy No.: SISIFNL20059511

Issued to: 38 Studios, LLC

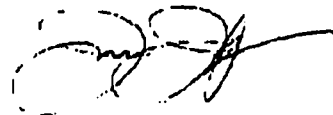
By: Starr Indemnity & Liability Company

**FULL NUCLEAR EXCLUSION
(D&O Coverage Section)**

It is understood and agreed that Clause 3, EXCLUSIONS, of the Directors & Officers Liability Coverage Section is amended by adding the following exclusion:

This policy shall not cover any Loss in connection with any Claim alleging, arising out of, based upon or attributable to nuclear fission, nuclear fusion, radioactive contamination or the hazardous properties of any nuclear materials.

ALL OTHER TERMS AND CONDITIONS REMAIN UNCHANGED.



Authorized Representative

Endorsement No.: 3

This endorsement, effective: December 23, 2011

(at 12:01 a.m. Standard Time at the address stated in Item 1 of the Declarations)

Forms a part of Policy No.: SISIFNL20059511

Issued to: 38 Studios, LLC

By: Starr Indemnity & Liability Company

RHODE ISLAND AMENDATORY ENDORSEMENT

This endorsement modifies insurance coverage provided under the RESOLUTE PORTFOLIO FOR PRIVATE COMPANIES INSURANCE POLICY.

COVERAGE PART: GENERAL TERMS AND CONDITIONS SECTION

It is understood and agreed:

- A. The third sentence of the second paragraph of Clause 12. **CANCELLATION AND NON RENEWAL CLAUSE** is deleted and replaced by the following:

If such notice is mailed by registered mail, the **Insurer** shall maintain proof of mailing by United States Postal Service registered mail receipt and such proof of mailing shall be sufficient proof of notice. The notice of cancellation shall state the reason for cancellation if the **Parent Company** requests such a statement in writing and the **Parent Company** agrees in writing to hold the **Insurer** harmless from liability for any communication giving notice of or specifying the reasons for a cancellation or for any statement made in connection with an attempt to discover or verify the existence of conditions which would be a reason for cancellation. If this Policy is canceled at the request of a premium finance company, the **Insurer** shall retain the pro rata portion of the premium. The notice shall also be sent to the agent of record for the **Parent Company**.

- B. The last paragraph of Clause 12. **CANCELLATION AND NON RENEWAL CLAUSE** is amended by the addition of the following:

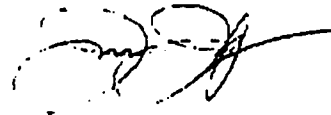
The notice shall also be sent to the agent of record for the **Parent Company**. If such notice is mailed, the **Insurer** shall maintain proof of mailing by United States Postal Service certificate of mailing in the ordinary course of the **Insurer's** business and this proof of mailing shall be sufficient proof of notice. If the **Insurer** fails to provide such notice, the policy's coverage shall remain in effect for sixty (60) days following the date of notice. The earned premium for any period of coverage which extends beyond the policy's expiration date shall be calculated pro rata based upon the previous policy's rate.

The **Insurer** shall provide to the **Parent Company** or the agent of record written notice of a premium increase or reduction in the Limit of Liability or coverage at least sixty (60) days before the end of the **Policy Period**. If the **Insurer** fails to provide such notice, the coverage shall remain in effect until notice is provided or until the effective date of replacement coverage obtained by the **Parent Company**, whichever occurs first. For purposes of this provision, notice is considered effective sixty (60) days after it is provided to the **Parent Company**. If the **Parent Company** elects not to renew, the earned premium for the period of extension of the terminated policy shall be calculated pro rata at the lower of the premium applicable to the current policy or the prior policy's rate. If the **Parent Company** renews the policy, the premium increase, if any, and any other changes shall be effective the day following the prior policy's expiration or anniversary date.

C. The Policy is amended by the addition of the following:

Insurer's Toll-Free Telephone Number:
1-866-519-2522

ALL OTHER TERMS AND CONDITIONS REMAIN UNCHANGED.



Authorized Representative

Endorsement No.: 4

This endorsement, effective: December 23, 2011

(at 12:01 a.m. Standard Time at the address stated in Item 1 of the Declarations)

Forms a part of Policy No.: SJSIFNL20059511

Issued to: 38 Studios, LLC

By: Starr Indemnity & Liability Company

DEFENSE COSTS DISCLOSURE

This endorsement modifies insurance coverage provided under the RESOLUTE PORTFOLIO FOR PRIVATE COMPANIES INSURANCE POLICY.

It is understood and agreed:

I hereby acknowledge and understand that **Defense Costs** are subject to, and may reduce and completely exhaust, the Aggregate Limit of Liability for Each Separate Coverage Section and, if applicable, the Aggregate Limit of Liability for Each Combined Coverage Section, and the Aggregate Policy Limit of Liability. Any **Defense Costs** paid under one of the Coverage Sections that comprises a Combined Coverage Section will reduce, and may exhaust, the limit of liability available for the amount of any judgment or settlement under the other Coverage Section(s) that comprise(s) such Combined Coverage Section. In the event that the maximum Aggregate Policy Limit of Liability is exhausted, the Insurer shall not be liable for **Defense Costs** or the amount of any judgment or settlement.

ALL OTHER TERMS AND CONDITIONS REMAIN UNCHANGED.



INSURED

1-25-2012

DATE

Endorsement No.: 5

This endorsement, effective: December 23, 2011

(at 12:01 a.m. Standard Time at the address stated in Item 1 of the Declarations)

Forms a part of Policy No.: SISIFNL20059511

Issued to: 38 Studios, LLC

By: Starr Indemnity & Liability Company

**AMEND POLLUTION EXCLUSION -
DELETE EXCEPTION FOR SECURITIES CLAIMS
(D&O Coverage Section)**

It is understood and agreed that Clause 3, EXCLUSIONS, of the Directors & Officers Liability Coverage Section is amended by deleting Exclusion (j) in its entirety and replacing it with the following:

- (j) alleging, arising out of, based upon, attributable to, directly or indirectly resulting from, or in consequence of, or in any way involving, **Pollution**; provided, however, that this exclusion shall not apply to any **Claim** under Insuring Agreement A, except for **Loss** constituting **Cleanup Costs**;

ALL OTHER TERMS AND CONDITIONS REMAIN UNCHANGED.



Authorized Representative

Endorsement No.: 6

This endorsement, effective: December 23, 2011

(at 12:01 a.m. Standard Time at the address stated in Item 1 of the Declarations)

Forms a part of Policy No.: SISIFNL20059511

Issued to: 38 Studios, LLC

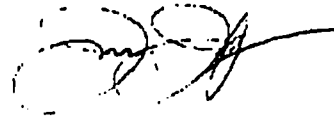
By: Starr Indemnity & Liability Company

**ANTI - TRUST EXCLUSION -
APPLIES TO ENTITY ONLY
(D&O Coverage Section)**

It is understood and agreed that Clause 3, EXCLUSIONS, of the Directors & Officers Liability Coverage Section is amended by adding the following exclusion:

This policy shall not cover any Loss in connection with any Claim alleging, arising out of, based upon or attributable to any violation of any law, whether statutory, regulatory or common, as respects any of the following: anti-trust, business competition, unfair trade practices or tortious interference in another's business or contractual relationships; provided, however, that this exclusion shall apply only to the Company.

ALL OTHER TERMS AND CONDITIONS REMAIN UNCHANGED.



Authorized Representative

Endorsement No.: 7

This endorsement, effective: December 23, 2011

(at 12:01 a.m. Standard Time at the address stated in Item 1 of the Declarations)

Forms a part of Policy No.: SISIFNL20059511

Issued to: 38 Studios, LLC

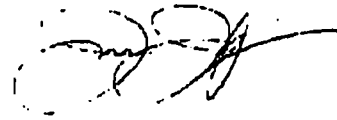
By: Starr Indemnity & Liability Company

**DIRECTOR EXCLUSION
(EPL Coverage Section)**

It is understood and agreed that Clause 3, EXCLUSIONS, of the Employment Practices Liability Coverage Section is amended by adding the following exclusion:

This policy shall not cover any Loss in connection with any Claim brought by or on behalf of any Insured Person who is or was a director of any Company.

ALL OTHER TERMS AND CONDITIONS REMAIN UNCHANGED.



Authorized Representative

Endorsement No.: 8

This endorsement, effective: December 23, 2011

(at 12:01 a.m. Standard Time at the address stated in Item 1 of the Declarations)

Forms a part of Policy No.: SISIFNL20059511

Issued to: 38 Studios, LLC

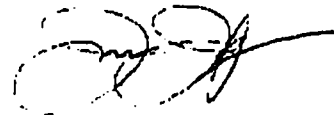
By: Starr Indemnity & Liability Company

**AMEND DEFINITION OF "OUTSIDE ENTITY" -
INCLUDES ANY NOT-FOR-PROFIT ENTITY
(D&O Coverage Section)**

It is understood and agreed that Definition (i), "Outside Entity", of the Directors & Officers Liability Coverage Section is deleted in its entirety and replaced with the following:

- (i) **"Outside Entity"** means: (1) any not-for-profit entity; or (2) any other entity listed as such by endorsement to this policy, for which an Executive acts as a director, officer, trustee or governor (or the equivalent thereof) at the written request of the Company. Any such person shall be referred to herein as an **"Outside Entity Insured Person"**, but only while that person is acting in the capacity as a director, officer, trustee or governor (or the equivalent thereof) of an **Outside Entity**.

ALL OTHER TERMS AND CONDITIONS REMAIN UNCHANGED



Authorized Representative

Endorsement No.: 9

This endorsement, effective: December 23, 2011

(at 12:01 a.m. Standard Time at the address stated in Item 1 of the Declarations)

Forms a part of Policy No.: SISIFNL20059511

Issued to: 38 Studios, LLC

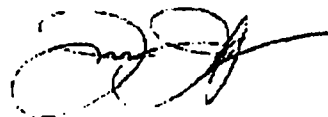
By: Starr Indemnity & Liability Company

**AMEND DEFINITION OF "OUTSIDE ENTITY" –
INCLUDES ANY NOT-FOR-PROFIT ENTITY
(Employment Practices Liability Coverage Section)**

It is understood and agreed that Clause 2. DEFINITIONS (k) "Outside Entity", of the Employment Practices Liability Coverage Section is deleted in its entirety and replaced with the following:

- (k) "Outside Entity" means: (1) any not-for-profit entity; or (2) any other entity listed as such by endorsement to this policy, for which an Executive acts as a director, officer, trustee or governor (or the equivalent thereof) at the written request of the Company. Any such person shall be referred to herein as an "Outside Entity Insured Person", but only while that person is acting in the capacity as a director, officer, trustee or governor (or the equivalent thereof) of an Outside Entity.

ALL OTHER TERMS AND CONDITIONS REMAIN UNCHANGED.



Authorized Representative

Endorsement No.: 10
This endorsement, effective: December 23, 2011
(at 12:01 a.m. Standard Time at the address stated in Item 1 of the Declarations)
Forms a part of Policy No.: SISIFNL20059511
Issued to: 38 Studios, LLC
By: Starr Indemnity & Liability Company

**AMEND WAGE AND HOUR EXCLUSION -
ADD DEFENSE COSTS COVERAGE WITH SUBLIMIT AND RETENTION
(EPL Coverage Section)**

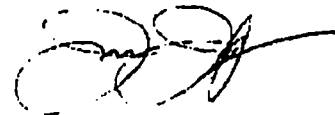
It is understood and agreed that Exclusion (g) of the Employment Practices Liability Coverage Section is deleted in its entirety and replaced with the following:

- (g) alleging, arising out of, based upon, attributable to or in any way relating to the refusal, failure or inability of any Insured to pay wages or overtime pay for services rendered (exclusive of tort-based front pay or back pay), improper classification of any Employee(s), improper payroll deductions taken by any Insured from any Employee or purported Employee, or failure to provide or enforce legally required meal or rest break periods; provided, however, that this exclusion shall not apply to: (i) any Claim for Retaliation; or (ii) Defense Costs;

It is further understood and agreed that any coverage provided under this endorsement for Defense Costs, pursuant to item (ii) above, shall be subject to a Sublimit of Liability of \$100,000. This Sublimit of Liability shall be part of, and not in addition to, the Limit of Liability applicable to the Employment Practices Liability Coverage Section as set forth in Item 4 of the Declarations.

It is also further understood and agreed that for any coverage provided under this endorsement for Defense Costs, pursuant to item (ii) above, Item 5 B(i) of the Declarations, RETENTION AMOUNTS, is amended to \$75,000.

ALL OTHER TERMS AND CONDITIONS REMAIN UNCHANGED.



Authorized Representative

Endorsement No.: 11

This endorsement, effective: December 23, 2011

(at 12:01 a.m. Standard Time at the address stated in Item 1 of the Declarations)

Forms a part of Policy No.: SISIFNL20059511

Issued to: 38 Studios, LLC

By: Starr Indemnity & Liability Company

**AMEND NON-RESCINDABLE CLAUSE &
REPRESENTATIONS AND SEVERABILITY CLAUSE -
INSURING AGREEMENTS A., B., AND C. ARE NON-RESCINDABLE**

It is understood and agreed that Clause 5, NON-RESCINDABLE CLAUSE, of the Directors & Officers Liability Coverage Section is deleted in its entirety and replaced by the following:

5. NON-RESCINDABLE CLAUSE

The Insurer irrevocably waives any right it may have to rescind coverage available under Insuring Agreements A., B. and C. of this Coverage Section, in whole or in part, on any grounds.

It is further understood and agreed that solely with respect to the Directors & Officers Liability Coverage Section, Clause 10, REPRESENTATIONS AND SEVERABILITY, of the General Terms & Conditions Section is deleted in its entirety and replaced by the following:

10. REPRESENTATIONS AND SEVERABILITY

It is agreed that the Insurer has relied upon the information contained in the Application in issuing this policy. In regard to the statements, warranties, representations and information contained in the Application, no knowledge of any Insured shall be imputed to any other Insured for the purpose of determining whether coverage is available under this policy for any Claim made against such Insured. However, in the event the statements, warranties, representations or information is not accurately and completely disclosed in the Application, no coverage shall be afforded for any Claim alleging, arising out of, based upon, attributable to or in consequence of any incomplete or inaccurate statements, warranties or representations under:

- (i) Insuring Agreement A., with respect to any Insured Person who knew of such inaccurate or incomplete statements, warranties, representations or information;
- (ii) Insuring Agreement B., with respect to any Company to the extent it indemnifies any Insured Person referenced in (i) above; and
- (iii) Insuring Agreement C., with respect to any Company if any past or present chief executive officer, chief operating officer or chief financial officer of the Company knew of such inaccurate or incomplete statements, warranties or representations,

whether or not such person knew that such facts were not accurately and completely disclosed in the Application.

ALL OTHER TERMS AND CONDITIONS REMAIN UNCHANGED.



Authorized Representative

Endorsement No.: 12
This endorsement, effective: December 23, 2011
(at 12:01 a.m. Standard Time at the address stated in Item 1 of the Declarations)
Forms a part of Policy No.: SISIFNL20059511
Issued to: 38 Studios, LLC
By: Starr Indemnity & Liability Company

**AMEND DEFINITION OF "COMPANY" TO INCLUDE SPECIFIED ENTITIES
WITH PENDING OR PRIOR LITIGATION DATES
(General Terms & Conditions Section)**

It is understood and agreed that General Definition (c), "Company", of the General Terms & Conditions Section is amended to include any entity listed below; however, such entity is a **Company** only with respect to the entity's corresponding Coverage Section(s) and the entity's corresponding Pending or Prior Date listed below. The Pending or Prior Date(s) listed below apply solely to Exclusion (d) of the Director & Officers Liability Coverage Section, Exclusion (c) of the Employment Practices Liability Coverage Section and Exclusion (e) of the Fiduciary Liability Coverage Section.

<u>ENTITY</u>	<u>COVERAGE SECTION</u>	<u>PENDING OR PRIOR DATE</u>
38 Studios, LLC	Directors & Officers Liability Employment Practices Liability Fiduciary Liability	12/23/2009
38 Studios Baltimore, LLC	Directors & Officers Liability Employment Practices Liability Fiduciary Liability	12/23/2009
Mercury Project, LLC	Directors & Officers Liability Employment Practices Liability Fiduciary Liability	12/23/2009
Precision Jobs, LLC	Directors & Officers Liability Employment Practices Liability Fiduciary Liability	12/23/2009

ALL OTHER TERMS AND CONDITIONS REMAIN UNCHANGED.



Authorized Representative

Endorsement No.: 13

This endorsement, effective: December 23, 2011

(at 12:01 a.m. Standard Time at the address stated in Item 1 of the Declarations)

Forms a part of Policy No.: SISIFNL20059511

Issued to: 38 Studios, LLC

By: Starr Indemnity & Liability Company

**AMEND DECLARATIONS PAGE:
PENDING OR PRIOR DATES FOR D&O COVERAGE SECTION**

It is understood and agreed that Item 6 A. of the Declarations, PENDING OR PRIOR DATE, is deleted in its entirety and replaced with the following:

A. Directors & Officers Liability Coverage Section:

(i) Insuring Agreement A.	<u>12/23/2009</u> as respects the first <u>\$3,000,000</u> of the limit of liability set forth in Item 4 above. <u>4/29/2010</u> respects the <u>\$7,000,000</u> of the limit of liability set forth in Item 4 above, excess of the first <u>\$3,000,000</u> of such limit of liability.
(ii) Insuring Agreement B. and C.	<u>12/23/2009</u> as respects the first <u>\$3,000,000</u> of the limit of liability set forth in Item 4 above. <u>4/29/2010</u> respects the <u>\$7,000,000</u> of the limit of liability set forth in Item 4 above, excess of the first <u>\$3,000,000</u> of such limit of liability.

ALL OTHER TERMS AND CONDITIONS REMAIN UNCHANGED.



Authorized Representative

Endorsement No.: 14

This endorsement, effective: December 23, 2011

(at 12:01 a.m. Standard Time at the address stated in Item 1 of the Declarations)

Forms a part of Policy No.: SISIFNL20059511

Issued to: 38 Studios, LLC

By: Starr Indemnity & Liability Company

**AMEND DECLARATIONS PAGE - ADD
SEPARATE SUB-LIMITS FOR EPL AND FIDUCIARY**

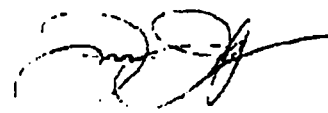
It is understood and agreed that Item 4. LIMITS OF LIABILITY B. (i) of the Declarations is deleted in its entirety and replaced with the following:

**B. AGGREGATE LIMIT OF LIABILITY FOR EACH COMBINED COVERAGE
SECTION OTHER THAN CRIME & FIDELITY COVERAGE SECTION**

(i)

Combined Coverage Section: Directors & Officers Liability / Employment Practices Liability / Fiduciary Liability	\$10,000,000
Sublimit of Liability for Derivative Demand Coverage	\$75,000
Sublimit of Liability for Employment Practices Liability Coverage Section	\$3,000,000
Sublimit of Liability for Third-Party Liability Coverage	\$3,000,000
Sublimit of Liability for Fiduciary Liability Coverage Section	\$3,000,000
Sublimit of Liability for Voluntary Compliance Program Coverage	\$25,000
Sublimit of Liability for HIPAA Claim Coverage	\$25,000

ALL OTHER TERMS AND CONDITIONS REMAIN UNCHANGED.



Authorized Representative

Endorsement No.: 15
This endorsement, effective: December 23, 2012
(at 12:01 a.m. Standard Time at the address stated in Item 1 of the Declarations)
Forms a part of Policy No.: SISIFNL20059511
Issued to: 38 Studios, LLC
By: Starr Indemnity & Liability Company

AMEND DECLARATIONS

It is understood and agreed that:

1. Item 3: COVERAGE SECTIONS is deleted in its entirety and replaced by the following:

ITEM 3: COVERAGE SECTIONS

This policy provides coverage only for the following Coverage Sections if purchased by the Insured and indicated by an X.

Directors & Officers Liability Coverage Section	Yes <input checked="" type="checkbox"/>	No <input type="checkbox"/>
Derivative Demand Coverage	Yes <input checked="" type="checkbox"/>	No <input type="checkbox"/>
Employment Practices Liability Coverage Section	Yes <input type="checkbox"/>	No <input checked="" type="checkbox"/>
Third-Party Liability Coverage	Yes <input type="checkbox"/>	No <input checked="" type="checkbox"/>
Fiduciary Liability Coverage Section	Yes <input type="checkbox"/>	No <input checked="" type="checkbox"/>
Voluntary Compliance Program Coverage	Yes <input type="checkbox"/>	No <input checked="" type="checkbox"/>
HIPAA Claim Coverage	Yes <input type="checkbox"/>	No <input checked="" type="checkbox"/>
Crime and Fidelity Coverage Section	Yes <input type="checkbox"/>	No <input checked="" type="checkbox"/>

2. Item 4 B. AGGREGATE LIMIT OF LIABILITY FOR EACH COMBINED COVERAGE SECTION OTHER THAN THE CRIME AND FIDELITY COVERAGE SECTION subsection (i) is deleted.


3. **Item 4 A. AGGREGATE LIMIT OF LIABILITY FOR EACH SEPARATE COVERAGE SECTION OTHER THAN THE CRIME AND FIDELITY COVERAGE SECTION**
subsection (i) is deleted and replaced by the following:

A. AGGREGATE LIMIT OF LIABILITY FOR EACH SEPARATE COVERAGE SECTION OTHER THAN THE CRIME AND FIDELITY COVERAGE SECTION

(i)

Separate Coverage Section: Directors & Officers Liability	\$10,000,000
Sublimit of Liability for Insuring Agreement A.	\$10,000,000
Sublimit of Liability for Insuring Agreement B.	\$10,000,000
Sublimit of Liability for Insuring Agreement C.	N/A
Sublimit of Liability for Insuring Agreement D.	\$75,000

ALL OTHER TERMS AND CONDITIONS REMAIN UNCHANGED



Authorized Representative

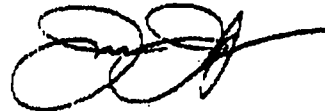
Endorsement No.: 16
This endorsement, effective: December 23, 2012
(at 12:01 a.m. Standard Time at the address stated in Item 1 of the Declarations)
Forms a part of Policy No.: SISIFNL20059511
Issued to: 38 Studios, LLC
By: Starr Indemnity & Liability Company

PURCHASE OF DISCOVERY PERIOD

In consideration of the additional premium of \$96,453, it is understood and agreed that, solely in respect of the Directors & Officers Liability Coverage Section, Insuring Agreements A. and B. and D., the Parent Company has purchased a three (3) year Discovery Period pursuant to Clause 8. of this Policy.

No Discovery Period has been purchased for any other Insuring Agreement or Coverage Section not identified in the foregoing paragraph.

ALL OTHER TERMS AND CONDITIONS REMAIN UNCHANGED.



Authorized Representative